

**HOUSE OF ASSEMBLY****Friday 1 July 2011****ESTIMATES COMMITTEE A****Chair:**

Ms C.C. Fox

**Members:**

Mr M.R. Goldsworthy

Mr S.S. Marshall

Mr L.K. Odenwalder

Mr M. Pengilly

Mr A.J. Sibbons

Mrs L.A. Vlahos

*The committee met at 10:04***SOUTH AUSTRALIA POLICE, \$656,320,000****ADMINISTERED ITEMS FOR SOUTH AUSTRALIA POLICE, \$168,000****Witness:**

Hon. K.O. Foley, Minister for Defence Industries, Minister for Police, Minister for Emergency Services, Minister for Motor Sport, Minister Assisting the Premier with the Olympic Dam Expansion Project.

**Departmental Advisers:**

Mr G. Burns, Acting Commissioner of Police, South Australia Police.

Mr I. Hartmann, Manager, Finance, South Australia Police.

Mr D. Patriarca, Director, Business Service, South Australia Police.

**The CHAIR:** Good morning. Estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. Changes to committee membership will be notified as they occur. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by Friday 30 September 2011. There is a flexible approach to questions, based on about three questions per member, alternating on each side, but I am led to believe, from the leader of government questions today, that there are no questions. Is that correct, member for Taylor?

**Mrs VLAHOS:** Yes, it is.

**The CHAIR:** There is no formal facility for the tabling of documents before the committee, but documents can be supplied to the chair for distribution to the committee. Questions must go to the minister, not his advisers. I ask that all members who are asking questions give very clear indications of where they are in the budget papers. I declare the proposed payments open for examination. Minister, do you wish to make an opening statement?

**The Hon. K.O. FOLEY:** No, Madam Speaker. This is the opposition's day; I accept that, and I am happy to facilitate as many questions as the opposition can think of to ask me.

**The CHAIR:** Thank you.

**The Hon. K.O. FOLEY:** I have with me: the Acting Commissioner of Police, Deputy Police Commissioner Gary Burns; Denis Patriarca, the Director of Business Services—any problems that we have will be his fault—and Ian Hartmann, Manager of Finance.

**The CHAIR:** Member for Kavel, do you have an opening statement, or would you like to go straight to the questions?

**Mr GOLDSWORTHY:** No ma'am, straight into the questions. Minister, I refer to page 91 of Budget Paper 4, Volume 3, Sub-program 1.2: Event management. This sub-program includes policing of sporting and other public events. By way of explanation, minister: SAPOL is involved in managing many community events, such as the annual Christmas Toy Run from Glenelg to Hahndorf Oval, organised by the reputable Motorcycle Riders Association.

The opposition has been advised that, two years ago, the toy run—the largest of its type in Australia—raised \$300,000 for the St Vincent de Paul charity. Advice has also been received, minister, that last year, due to the fact that SAPOL reduced its level of support, the toy run was in doubt, and the confusion about the route significantly reduced the number of participants, and as a result donations totalled just half of the previous year (that being \$150,000).

The question is, minister: has SAPOL now advised the Mount Barker Council that it has completed a safety risk assessment of the Toy Run and that, owing largely to the increase in development in the inner Hahndorf area (particularly along Old Mount Barker Road and near the Mount Barker Freeway exit), the level of safety of Toy Run participants and the general public is no longer acceptable?

**The Hon. K.O. FOLEY:** That is your first question, the Toy Run?

**Mr GOLDSWORTHY:** That is the question, minister.

**The Hon. K.O. FOLEY:** Toy run?

**Mr GOLDSWORTHY:** Well, it is a very important charitable event that raises a lot of money of charity, so—

**The Hon. K.O. FOLEY:** I am sure it is; I do not discount that. I am just somewhat taken aback that it is the first question. We will take that on notice and come back to you.

**An honourable member:** That will keep you on the front bench.

**The Hon. K.O. FOLEY:** I think you are going to have to do a little bit better.

**An honourable member:** It was a good question because you cannot answer it.

**The Hon. K.O. FOLEY:** You are right. We do not have the operational requirements of the Toy Run through Mount Barker at our fingertips, but we will get back to you on that.

**The CHAIR:** Excellent.

**Mr GOLDSWORTHY:** Thank you. Was SAPOL's risk assessment provided to the Mount Barker council in writing?

**The Hon. K.O. FOLEY:** We will get back to you on that as well.

**Mr GOLDSWORTHY:** Is it your understanding, minister, that, because of SAPOL's reduction in resources, the Toy Run to Hahndorf will be cancelled this year?

**The Hon. K.O. FOLEY:** SAPOL has no reduction in resources, globally. So, that is incorrect. Secondly, as I said, as much as I would really like to be able to help the member for Kavel in his constituency, we do not have those answers with us and we will come back to you on that.

**Mr GOLDSWORTHY:** How many police resources were allocated for last year's Toy Run; that is, the 2010 Toy Run?

**The Hon. K.O. FOLEY:** Of all the issues confronting our state in modern civil society and the elements of good versus evil, you are asking me about a toy run! We will take that question on notice.

**Mr GOLDSWORTHY:** Just come back to the question.

**The Hon. K.O. FOLEY:** No, I will take it on notice.

**Mr GOLDSWORTHY:** I have not quite finished the question yet.

**The Hon. K.O. FOLEY:** I promise next year that I will reprimand my police department and say, 'Next year, we have to have a brief on the Toy Run.'

**Mr PENGILLY:** So, does that mean you will be here next year, Kevin?

**The Hon. K.O. FOLEY:** Of course. Why would I not?

**Mr GOLDSWORTHY:** Let me finish the actual question, minister. How many police resources were allocated to last year's Toy Run and were fewer resources allocated to that important charity event than protest runs, such as to the Barossa two years ago—the bikies' runs that they go on?

**The Hon. K.O. FOLEY:** If you are trying to have some correlation between police effort to ensure the safety of civilians and a bikie gang's—

**Mr GOLDSWORTHY:** I am just asking a simple question, minister.

**The Hon. K.O. FOLEY:** It is a silly question—

**The CHAIR:** Allow the minister to answer the questions that you are actually asking.

**The Hon. K.O. FOLEY:** —bordering on inane. The police, throughout my extensive experience with government and in this parliament, have always ensured the safety of people as number one priority. If you are suggesting that there is some diminution of police resources to a charity run, compared to a bikie run, they are two totally different events. Our police would never put the public in harm's way, be it a bikie run through pubs or a toy run to Mount Barker.

**Mr GOLDSWORTHY:** No suggestion at all, minister.

**The Hon. K.O. FOLEY:** Well, that is what it was.

**Mr GOLDSWORTHY:** That is your interpretation.

**The Hon. K.O. FOLEY:** I hope Isobel is not listening to this because you will be in real strife.

**Mr GOLDSWORTHY:** On to page 86—

**The Hon. K.O. FOLEY:** You will be the first name on her list to go in a reshuffle, if this is the best you can do.

**Mr GOLDSWORTHY:** I refer to page 86 in Budget Paper 4, Volume 3, Administered items, statutory officer salaries (Police Commissioner). Why are payments to the commissioner given separate accounting treatment compared to that of the general employee expenses?

**The Hon. K.O. FOLEY:** Why are we singling out the commissioner's salary, compared to—

**Mr GOLDSWORTHY:** Why is there a separate line?

**The Hon. K.O. FOLEY:** I thought that you would have liked that. We get accused of not giving you enough information. We have itemised the police commissioner's salary, I guess, have we? I would have thought you would be applauding us for it.

**Mr GOLDSWORTHY:** What is the base salary of the commissioner, minister?

**The Hon. K.O. FOLEY:** We do not have that with us, but it would be in their annual report, I would think.

**Mr GOLDSWORTHY:** Thank you.

**The CHAIR:** I am sure that would be something that you could get back to the committee very quickly.

**The Hon. K.O. FOLEY:** We would. We cannot hide salaries to police commissioners, or to backbenchers of parliament. It is all on the public record. And he is worth every cent.

**Mr GOLDSWORTHY:** Indeed, minister.

**The Hon. K.O. FOLEY:** Hang on, we have got it. The 2010-11 salary to the commissioner was \$398,000. The whole package is valued at \$408,000.

**Mr GOLDSWORTHY:** Thank you. The next question is by way of explanation, minister. In October last year, the Hon. David Ridgway MLC wrote to the Auditor-General with regard to payments made to the police commissioner. He highlighted that within the last four Auditor-General's reports there has been a significant discrepancy between budgeted and actual figures for the payment of salaries and allowances to the commissioner. For example, in last year's report the difference was \$110,281. The question is: has the minister or his department had any communication with the Auditor-General or his department concerning this topic?

**The Hon. K.O. FOLEY:** That is a very, very unusual question. Are you questioning the integrity of the police commissioner?

**Mr GOLDSWORTHY:** Absolutely—

**The Hon. K.O. FOLEY:** You are, absolutely?

**Mr GOLDSWORTHY:** No, I am not. I am just asking the question, that is all.

**The Hon. K.O. FOLEY:** I am advised that in previous budget presentations we have had the police commissioner's base salary identified as an item, from administered items, and then we have a separate line for payments such as salary sacrificing, long service leave provisioning, sick leave provisioning, etc. So, that is why you have had two separate presentations. It cannot be construed—as clearly Mr Ridgway and you have done, incorrectly—that is an extra payment; it was the way of presentation. Now under our budget reporting we put all those payments grouped as one item.

**Mr GOLDSWORTHY:** But you have had no communication with the Auditor-General in regard to it at all?

**The Hon. K.O. FOLEY:** I do not know. Maybe he has written to me, but its presentation is not something that would concern me. The police commissioner is paid what his contract requires him to be paid, not another sum, if that is what you are trying to suggest.

**Mr GOLDSWORTHY:** I am not suggesting anything. How do the salary allowances and payments made to the South Australian police commissioner compare to other commissioners in other Australian states?

**The Hon. K.O. FOLEY:** Would you have asked this question if the police commissioner had have been with us today? Are you just doing it because he is not?

**Mr GOLDSWORTHY:** No, I have no problem in asking the question whether he is here or not.

**The Hon. K.O. FOLEY:** Are you asking how does our payment to our commissioner compare to other states? I do not know. My guess is we probably pay our police commissioner less than most other states. That tends to be the norm with our senior people. I have to tell you, if you want to put our police commissioner up against the performance that we have seen and witnessed in other states in Australia, we have an outstanding police commissioner and we do not have the almost daily ritual of public problems between governments and their police commissioner. So, we get both good value for money and we have a good man, a decent person doing the job.

**Mr GOLDSWORTHY:** I agree. Commissioner Hyde has done the South Australia Police and community a great service, and we certainly commend his work on this side of the house.

**The Hon. K.O. FOLEY:** Good. Yes, sure; it sounds like it.

**Mr GOLDSWORTHY:** I am aware that the end of his service as commissioner is drawing closer.

**The Hon. K.O. FOLEY:** That is a very clever observation, because my guess is your tenure in this parliament is drawing closer. By definition, the longer we do a job the closer we are to ending—funny that! I think you are getting to the end of your shadow ministerial career a lot quicker than the police commissioner is getting to the end of his tenure. That would be my guess.

**Mr GOLDSWORTHY:** Come back to the question, minister. When will the recruitment process start for appointing his successor?

**The Hon. K.O. FOLEY:** We will begin that process at the appropriate time. We have not determined when that will be, but obviously before he goes would be handy.

**Mr MARSHALL:** My question relates to Budget Paper 5, Capital Investment Statement, page 32, in particular, the Police Academy redevelopment.

**The Hon. K.O. FOLEY:** I am very proud of that; it is in my electorate.

**Mr MARSHALL:** Last year in the budget papers there was an estimated total cost of the project of \$59 million. This figure for the total project now is \$53.4 million. Can the minister update us on the project and where the \$6.6 million is to be saved?

**The Hon. K.O. FOLEY:** Very good question, and I can see—I don't know, my guys opposite are obviously onto this one before me, but we have the most likely demotion from shadow cabinet and the most likely person to be promoted into cabinet—

**Mr MARSHALL:** Point of order, Madam Chair: relevance. I am particularly interested in the Police Academy redevelopment—

*Members interjecting:*

**The CHAIR:** Order! What is your point of order, member for Norwood?

**Mr MARSHALL:** My point of order is relevance. I am very interested in the Police Academy redevelopment, not the minister's other interests.

**The Hon. K.O. FOLEY:** I was just praising you. I said you are the man most likely.

**Mr MARSHALL:** We are already 20 minutes in; you arrived here five minutes late. I am particularly interested in the Police Academy redevelopment.

**The Hon. K.O. FOLEY:** I don't think you can have a crack at me over time because I actually have my colleagues give way on questions to you; that is how fearful I am of your onslaught, I am prepared for you to have all the questions.

**The CHAIR:** Member for Norwood, Budget Paper 5, which page?

**Mr MARSHALL:** Page 32, right down the bottom, Police Academy Redevelopment.

**The CHAIR:** Excellent.

**The Hon. K.O. FOLEY:** Following the tender call, savings of \$5.6 million were able to be achieved on the project, which is an outstanding outcome. This resulted from close value management and a very competitive tender market. The revised budget of \$53.4 million was approved by cabinet on 13 December 2010, as well as the redirection of the savings from this project and Roxby Downs Police Station to Murray Bridge and the new police headquarters. The savings have been cash-flowed in the financial year 2011-12, with receipts from land sales down at Taperoo still expected to be realised in the 2012-13 financial year.

**Mr MARSHALL:** Thank you very much, minister. Over 6 hectares of the academy land at Taperoo was to be sold off for housing; that was the original plan.

**The Hon. K.O. FOLEY:** Yes.

**Mr MARSHALL:** How much of the land has been sold thus far?

**The Hon. K.O. FOLEY:** As I said, I don't think any at this stage, but we expect that to happen next financial year.

**Mr MARSHALL:** What is the most recent valuation of the land on a per hectare basis and how does that valuation compared to what it stood at when the project was first considered and announced?

**The Hon. K.O. FOLEY:** We haven't had the land revalued since the initial scoping. LMC is the agency responsible for the disposal of that land and they are working through a master plan for that particular location. My bet would be that—well, I'm not going to bet on valuations.

**Mr MARSHALL:** Will the minister be seeking a briefing on a revised valuation?

**The Hon. K.O. FOLEY:** Not at this stage until such time as the Land Management Corporation come forward with their proposal, which really will be a matter for the Minister for Infrastructure, not necessarily me.

**Mr MARSHALL:** Thank you, minister.

**The Hon. K.O. FOLEY:** It would be a great site, though.

**Mr MARSHALL:** Fantastic. I know it well.

**Mr PENGILLY:** Can I ask a follow-up on that?

**The CHAIR:** Yes, member for Finniss.

**Mr PENGILLY:** Just as a follow-up on that, I was on Public Works when we inspected and made that decision on that site and there was a valuation at the time given to us as part of the Public Works documentation. The minister does not have that at hand, does he?

**The Hon. K.O. FOLEY:** No, but could I also say at this stage, whilst the member for Finniss is speaking, that I would like to congratulate him for both his courage to state the bleeding obvious that Rob Lucas and Terry Stephens should be sacked from shadow cabinet for their outrageous attack on SANFL football—

**Mr GOLDSWORTHY:** Point of order.

**The Hon. K.O. FOLEY:** —Ian McLachlan, a great South Australian; and my beloved Port Power Football Club, so all strength to the member for—

**The CHAIR:** Point of order. Minister, point of order.

**Mr GOLDSWORTHY:** Relevance, Madam Chair. This has nothing to do with the budget.

**The CHAIR:** Of course, the problem with the estimates is they are a free-ranging discussion, much like an egg—a free-range egg. We are moving within quite wide parameters, however I can see what you are meaning at this point, member for Kavel, and perhaps the minister would like to come back to the—

**The Hon. K.O. FOLEY:** I apologise, Madam Chair. I am just congratulating all these people over there. I am trying to be nice for a change.

**Mr PENGILLY:** Can I have a follow-up question once we have got past the pleasantries. Given that there was a valuation put on that land when the project came before Public Works, will the minister take on notice the question and an answer come back with the revised valuation?

**The Hon. K.O. FOLEY:** The ever efficient Denis Patriarca has this for me. Receipts from land sales are forecast to be \$32 million.

**Mr MARSHALL:** The original forecast was \$32 million, or is that a revised forecast?

**The Hon. K.O. FOLEY:** No, that is the original business case.

**Mr MARSHALL:** And you would envisage that that would be significantly diminished because of the global financial crisis and the property market in South Australia at the moment?

**The Hon. K.O. FOLEY:** I would not have thought so. I do not know. It will be for others to advise us on that. This is waterfront land, seafront land. This is premium quality land; but, obviously, LMC will do a revaluation when it puts that case together. Alright, what's next?

**Mr GOLDSWORTHY:** I refer to page 88 of the same budget paper and volume, and the heading 'High-tech Crime Fighting Equipment' (this is within the Investing expenditure summary). Does the purchase of the tasers fall within that budget line?

**The Hon. K.O. FOLEY:** No, we do not believe that it does.

**Mr GOLDSWORTHY:** Can you advise the committee, minister, how many of the 300 tasers that have been purchased have been put into active service?

**The Hon. K.O. FOLEY:** What do you think we do with them, stick them in the attic, or something? This may surprise the member, but we actually have them all in service, that is why we bought them.

**Mr GOLDSWORTHY:** Very good.

**The Hon. K.O. FOLEY:** Next question, please.

**Mr GOLDSWORTHY:** On the Adelaidenow website on 20 February, Assistant Commissioner Gary Burns said:

While only 300 tasers had been bought, an expansion of the program had not been ruled out.

What discussions has the minister had with SAPOL regarding the expansion of the taser program?

**The Hon. K.O. FOLEY:** I have not had a lot of discussion, because the way I operate—

**The CHAIR:** Minister, can I just interrupt you, you do not have to comment on media comment.

**The Hon. K.O. FOLEY:** True. I will choose to in this instance and reserve my right not to in any future questions if I think that they are uncomfortable for me. This is a novelty, I know, for the Liberal Party, but I have sufficient confidence in my police administration to run the police force as it should. If they think 300 is enough, fine; if they think that they should have more, we will discuss that in terms of a budget allocation.

I do not prescribe, prescript or tell my police commissioner what he should do in terms of arming our police. It is an operational matter—but I am sure that if tasers prove be an effective additional piece of kit and they want to expand it they will come forward and tell me. We have not had a specific discussion in recent days about that. Actually, the acting commissioner might make a contribution on that matter given that he is the person you referred to.

**Mr BURNS:** Thank you. The 300 tasers have been rolled out generally through the metropolitan area and large police districts. We have not rolled out tasers to solo patrols and one or two person stations. We have taken a very measured approach to the implementation of taser in South Australia, and it is deployed in two-person patrols under strict guidelines. Once we have done all our evaluations on that—and we will never ever rule out the expansion of the taser program—we would obviously have to go back to the minister and explain the reasons why we want to go further to substantiate any funding needs.

**Mr GOLDSWORTHY:** What is the cost per unit of the tasers?

**The Hon. K.O. FOLEY:** We will come back to the house with that.

**Mr GOLDSWORTHY:** Do we have any information that the units that we use here in South Australia are the same as other units used in other states?

**The Hon. K.O. FOLEY:** We will come back to you on that. I am sorry, Mr Burns wants to say something.

**Mr BURNS:** We regularly have a look at what is being used around Australia. They are pretty much the same variety. They are actually an electronic-controlled device. Taser is the actual brand name of those. We use the X26, and we have fitted it with a video camera. Not all states have video cameras on their tasers; we have because we think that it is part of the evidentiary process, as well as taking into account the checks and balances and use of the taser.

**Mr GOLDSWORTHY:** So, the actual item that we use in South Australia is different to what they use interstate, because we have a video on our tasers.

**Mr BURNS:** The taser is generally the same. My information is that virtually all states in Australia, if not all, use the X26 taser. Not all states necessarily have a video camera attached to the taser.

**Mr GOLDSWORTHY:** Has there been any work done in discussing a collaborative purchase order of these tasers with the other states?

**Mr BURNS:** No, there has not. I mean, there are police commissioner conferences where we look for a whole range of efficiencies in that regard. However, each state has progressed the electronic control device equipment at different speeds. For instance, Western Australia and Queensland were well ahead of South Australia in bringing it in, and we are ahead of Victoria in terms of deployment as well. So, it has not been one of those occasions where you can get that benefit of a broad approach to it.

The other thing is that there are differences of opinion at times between whether you do or do not need a video camera, so you do get discrepancies. Ultimately, we want what is best for the South Australia Police and the South Australian public, so we select that piece of equipment based on those prime criteria.

**Mr GOLDSWORTHY:** Still on page 88. We understand that three key Labor election pledges were (of which two are listed in the summary): 300 more police on our streets over the next four years; new state-of-the-art equipment; and reducing police red tape to keep our officers out on the beat. Of those pledges, which were instigated by the minister's office and which were subsequent to recommendations from SAPOL? So, basically, who made the suggestions? Were they government policy from the minister's office or did they come from suggestions from SAPOL?

**The Hon. K.O. FOLEY:** The government does not consult or ask the police department to write a policy for an election, I can assure you of that. The policy that the government took to the last election would have been the result of knowledge gained in that portfolio by the then minister and other information that would come to hand that may or may not have included discussions, briefings, etc., that we have had with police over the years.

**Mr GOLDSWORTHY:** What measures have been put in place to reduce red tape?

**The Hon. K.O. FOLEY:** Very good question. We are working with the Attorney-General's Department to look at simplification of documentation, forms, etc., greater use of the internet. We

are always driving reform, right across government, in the red tape area, not just in the police department.

**Mr GOLDSWORTHY:** So, you are working with the Attorney-General's Department in those areas that you have outlined.

**The Hon. K.O. FOLEY:** Yes.

**Mr GOLDSWORTHY:** But has there been any red tape reduction achieved?

**The Hon. K.O. FOLEY:** Of course.

**Mr PENGILLY:** What?

**The Hon. K.O. FOLEY:** I am about to tell you. We do not have exact details. We have simplified some of the forms. The police department is a modern functioning government agency. It would have an ongoing program of simplifying its procedures.

**Mr GOLDSWORTHY:** Are there specific measures in place?

**The Hon. K.O. FOLEY:** I think I have answered that question more than enough.

**Mr GOLDSWORTHY:** One last question in relation to it. How do you measure the reduction?

**The Hon. K.O. FOLEY:** That is a good question. There has always been a lot of debate and conjecture about how one measures efficiency and reform in this area, and my guess is that it will go on being a debatable point. Next question.

**Mr GOLDSWORTHY:** Page 93, under the heading Performance Indicators. The target set in recent budgets for call answering times, is that 90 per cent or more calls will be answered within 10 seconds. I note that in the estimated result for 2010-11, SAPOL fell short of its target to answer at least 90 per cent of 000 calls within 10 seconds.

**The Hon. K.O. FOLEY:** By 1.08 per cent.

**Mr GOLDSWORTHY:** Information provided to the Budget and Finance Committee by the Commissioner shows that in the 2009-10 period—

**The Hon. K.O. FOLEY:** We had 93.3 per cent.

**Mr GOLDSWORTHY:** —3.4 per cent of the calls to the call centre that fell outside the 10 second target were abandoned. That is, of the 10 per cent of the calls not answered within the 10 second time frame, 3.47 were not answered at all. The question is: given that the actual number of calls received by the call centre in 2009-10 was 411,955, and 10 per cent of that is around 41,000, will the minister confirm that the 3.47 per cent of abandoned calls is somewhere in the order of 1,500 calls?

**The Hon. K.O. FOLEY:** Unfortunately, and I really hate to do this because I know that you are wanting to put your best foot forward and impress, you have confused the datasets. You have made a boo-boo. You are referring to the 131 444 number which is non-urgent calls to police. The 000 number is a different line altogether. It is the third item down. Do you see where it says 'No. of 000 calls presented to Police Communications Centre by Telstra', and then you have gone down a slot to the 131 444.

**Mr GOLDSWORTHY:** No, I have gone to the next line, actually, minister: '% of 000 calls presented to the Police Communications Centre by Telstra answered within 10 seconds'. The target was 90 per cent. The estimated result was 88.92, which is less than the 90 per cent.

**The Hon. K.O. FOLEY:** That is right: 1.82 per cent less. So, what is your question?

**Mr GOLDSWORTHY:** Going back to 2009-10, 3.47 per cent of the calls that fell outside that 10 second target were abandoned.

**The Hon. K.O. FOLEY:** No, it did not. We exceeded it: 93.3 per cent.

**Mr GOLDSWORTHY:** No; this was information provided to the Budget and Finance Committee.

**The Hon. K.O. FOLEY:** I am reading the budget papers and you only have to look yourself: 2009-10 actual was 93.3 per cent. We are 3.3 above our 90 per cent target.

**Mr GOLDSWORTHY:** That's one point but the next point—

**The Hon. K.O. FOLEY:** It was a good point, I would have thought.

**Mr GOLDSWORTHY:** In the Budget and Finance Committee—

**The Hon. K.O. FOLEY:** This is not the Budget and Finance Committee, so—

**Mr GOLDSWORTHY:** No, but it is all about the same issue. It is about unanswered calls to the 000 number.

**The Hon. K.O. FOLEY:** Go back and check your notes because I think you are confusing yourself. You are certainly confusing me.

**The CHAIR:** Just for my own clarification here—

**Mr GOLDSWORTHY:** I think you are purposely trying to confuse it.

**The CHAIR:** Member for Kavel, just for my own clarification and nobody else's: I am looking at page 93. There is a table. Are you referring to the fifth budget line, the percentage of 000 calls.

**Mr GOLDSWORTHY:** Yes.

**The CHAIR:** You are not referring to anything else?

**Mr GOLDSWORTHY:** No; the question is that in the 2009-10 period, 3.47 per cent of the calls were abandoned, so the question is about that.

**The Hon. K.O. FOLEY:** I don't know that—but I do now.

**Mr GOLDSWORTHY:** Well, the commissioner provided the evidence to—

**The Hon. K.O. FOLEY:** You are asking me about something in 2009-10 that you heard on a Budget and Finance Committee. Sorry if it is taking me a little bit of time to understand exactly what point you are trying to make.

**The CHAIR:** I am also confused.

**Mr GOLDSWORTHY:** You accused us of having the wrong information initially. You go back and read the *Hansard*, Kevin. Two minutes ago you accused me of having wrong information.

**The Hon. K.O. FOLEY:** You are referring to 2009-10 data that is wrong information. This is the next financial year. This is 2010-11's estimates committee.

**Mr GOLDSWORTHY:** There is nothing stopping us going and looking at it historically.

**The Hon. K.O. FOLEY:** There is, actually. You can only ask about the budget estimate year that we are in.

**Mr GOLDSWORTHY:** The budget papers go back to 2009-10, so surely you can ask questions about that, for goodness sake.

**The Hon. K.O. FOLEY:** No. Well, you can ask, but I do not have to answer them.

**Mr GOLDSWORTHY:** Well, good on you.

**The Hon. K.O. FOLEY:** You are wrong, because I am referring to a letter sent to Rob Lucas on the Budget and Finance Committee on 30 May. It is referring to the call centre, that is, the 131 444 non-urgent and non-essential policing inquiries. That is where there was 3.4 per cent of abandoned calls, not 000. You are saying 000; you are wrong. It is the non-essential number, and that may well be to do with spikes, it might be that we had a period of wet weather damage, a massive number of calls coming in in a concentrated period from storm damage, or whatever. So, that is not unreasonable, but you are trying to suggest it is 000; it is not.

**Mr GOLDSWORTHY:** We will check that, too.

**The Hon. K.O. FOLEY:** Well, it's true; I have got the document here.

**Mr MARSHALL:** I refer to Budget Paper 4, Volume 3, page 115, expiation fees. It states:

[an] increase in expiation fines of \$20 for fines of less than \$100 and an increase of \$50 for fines in excess of \$100, commencing 2011-12 [budget]...

It has an expected additional revenue of \$11.7 million in that financial year. A breach of 15 km/h hour to 30 km/h will now attract a \$371 fine, while fines for those travelling more than 40 km/h above the speed limit will now be set at a \$123 expiation fee. In the 2010-11 budget

period, what percentage of speeding fines issued were for a breach of less than 15 km/h and what total revenue did that equate to?

**The Hon. K.O. FOLEY:** We will come back to the house with that number. The issue of speeding fines is a contentious issue, but I do not have any problem with it; I am relaxed about it. It is voluntary taxation. If you do not want to pay a \$500 fine, don't speed. It is not rocket science. This might surprise the committee, but I got caught speeding. I got one of those \$390 fines. Admittedly, I was going through the Mid North, where we change the speed zones—the councils do, at least—regularly; but, that's no excuse. I was doing 65 in a 50 zone, which I thought was a 60 zone. When the police officer told me that I had been speeding and then told me the amount of the fine, I said, 'What?' He looked at me, and he smiled and said, 'Sir, who would you complain to, do you think?' He got me good. Me.

**Mr MARSHALL:** Can the minister provide some details, then, on measures introduced last financial year and how it specifically the decreases in the speed intolerances coupled with increases to speeding fines have affected revenue outcomes for the current financial year?

**The Hon. K.O. FOLEY:** From memory from my previous time as police minister, the setting of intolerances is a matter for the police commissioner.

**Mr MARSHALL:** They have been significantly reduced, though, haven't they?

**The Hon. K.O. FOLEY:** That may or may not be the case. I am not sure whether that information is public. No, we do not make that public. It is a risk mitigation strategy—stick to the speed limit. Like, hello? Don't speed.

**Mr MARSHALL:** What fine would you pay, say, if you are doing three kilometres over the speed limit, then?

**The Hon. K.O. FOLEY:** Well, don't do it.

**Mr MARSHALL:** You're are not going to tell us that we have to go out and try it—

**The Hon. K.O. FOLEY:** We keep the tolerances a secret, otherwise we are simply lifting the legal speed limit.

**Mr MARSHALL:** Minister, a moment ago you informed the committee that this was a voluntary form of taxation. With every other form of taxation, members of the public are completely informed by the taxation department of how their revenue is going to be raised, but in this one you want to keep it a secret from us. So, if it is a voluntary form of taxation, which you said it was to the committee only one minute ago, why don't you give us details of how we are going to be taxed?

**The Hon. K.O. FOLEY:** For as long as I have been around this place, it has always been at the discretion of the police commissioner and a matter that is not discussed publicly, otherwise you automatically lift the legal speed limit in the eyes of motorists. If they are told that they can go another X kilometres an hour and won't get pinched, the aggregate speed in the city will increase proportionately.

**Mr MARSHALL:** Minister, it was you who just announced everybody here today that it is a new form of voluntary taxation.

**The Hon. K.O. FOLEY:** No; I have been saying that for as long as I have been in parliament. I know that as a peacock you want to strut yourself in terms of becoming a new minister—

**Mr MARSHALL:** We just want an answer.

*Mr Pengilly interjecting:*

**The CHAIR:** Point of order. Member for Finniss.

**Mr PENGILLY:** He is the member for Norwood; he is not a peacock.

**Mr MARSHALL:** I'm not sure that that helps.

**Mr PENGILLY:** 'Captain Peacock', maybe? But he is not a peacock; he is the member for Norwood—Mr Marshall.

**The Hon. K.O. FOLEY:** Madam speaker, the speed limit in this state is—

**The CHAIR:** Excuse me, minister, if I could just rule on that point of order? Indeed, calling somebody an animal is unparliamentary, so it is probably best that we don't do it. Carry on.

**The Hon. K.O. FOLEY:** Madam Chair, I remind the committee and the excitable member for Norwood that the speed limit is 60km/h, and in some areas it is 50km/h, and in some areas it is 100km/h, and in some areas it is 110km/h. That is the speed limit. Stick to it and below, and you do not have a problem.

**The CHAIR:** Member for Finniss.

**Mr MARSHALL:** We are just going to wait on the minister to get back to us, I presume, in the future, and so we will move on to question—

**The Hon. K.O. FOLEY:** Get back to you about what?

**Mr MARSHALL:** You said that you would take on notice the question about the percentage of speeding fines issued for less than 15km/h.

**The Hon. K.O. FOLEY:** We do not have that data here, but I guess if it is of interest to you, we can get back to you.

**Mr MARSHALL:** It certainly is. Thank you very much.

**The CHAIR:** Member for Finniss.

**The Hon. K.O. FOLEY:** I would hate to think that you are going to go to an election promising weaker road safety laws than what we have at present.

**Mr MARSHALL:** I was making no comment and no argument in my question about road safety; I am just interested in the revenue implications of the new expiation fees. A lot of people do not think that it is fair, for example—

**The Hon. K.O. FOLEY:** Do you think it is fair?

**Mr MARSHALL:** I think there are a lot of concerns out in the public that this is complete revenue-raising, and that when you ping somebody for doing a very small amount over the speed limit, and you do not even tell them what that tolerance is going to be—

**The Hon. K.O. FOLEY:** Well, you argue that inside your outfit, and if your outfit wants to go to an election promising cheaper speeding fines—

**The CHAIR:** Member for Norwood, your colleague, the member for Finniss, was actually given the call.

**Mr MARSHALL:** Sorry.

**The CHAIR:** So, member for Finniss.

**Mr PENGILLY:** Thank you, Madam Chair. Minister, I refer to page 103 of Budget Paper 4, Volume 3, Sub-program 3.1: Road Use Regulation, and specifically in relation to the detection of drink-driving. I will relay the details of an actual incident which occurred last Saturday night and which relates directly to the sub-program.

A woman in her late teens was found to be driving under the influence of alcohol in the Adelaide CBD. It was just after midnight and she was alone. She was asked to pull over in a taxi rank, and questioned whether she should be parking in the taxi zone. The police officer responded that it was fine, and spoke to the taxi drivers. She then went to the Norwood Police Station for a couple of hours, and then was driven back to her vehicle.

Upon return to her vehicle, police officers told her she could not drive her vehicle, but advised her that it had to be moved from the taxi rank; otherwise, her car would be impounded. She was then forced to wait in her vehicle until Dial-a-Driver turned up and returned her and her vehicle to her home. Understandably, the woman was directed not to drive any further. The woman's close family, either due to their proximity to the city or their own alcohol intake, were unable to collect her within a reasonable time. It turns out that the woman was forced to wait alone for an extended period until Dial-a-Driver was able to attend to her and drive her and her vehicle home.

Clearly, this woman breached the law, however the ability of the state to penalise her by expiation, loss of licence, or some type of penalty as directed by the court, is designed for that specific purpose. It would appear that possible vehicle impounding while having to compromise her safety by waiting by the vehicle was the product of a flawed process. So, the question is, minister: notwithstanding the breach, how does the process which ensued promote public safety, given that

a young woman was put in a situation where she had little reasonable choice but to wait alone, for an extended period, by her vehicle, or have that vehicle impounded?

**The Hon. K.O. FOLEY:** I normally prefer the police to comment on operational matters unless the question is absolutely stupid. That silly young girl put herself in that position. If that silly young woman had not been drinking and driving, she would not have been in that position. I mean, hello. If that were my son or daughter, I would be ropeable with them; they are the ones that put themselves in that position. What did you expect us to do? Tow them home, or ferry them home as a service?

Young South Australians are dying on our roads because they are drinking and driving. We have to work day and night, literally, to enforce the message that it is both illegal and putting yourself and others in serious danger, by driving over the limit of alcohol. That silly young woman—and she is a silly young woman—put herself in that position: the police did not.

**Mr PENGILLY:** Yes, minister. I understand what you are saying, to some extent. However, the question is: why was the woman made to stay there alone—a young woman in an unprotected area—for that period of time? I do not argue with what you have said about her behaviour; that is not the issue for me. The issue is that she was left there alone.

**The Hon. K.O. FOLEY:** It is the issue, but the police have a job to do. They are not personal security guards or dial a nanny or something like that. I would be very surprised if the police would have left that young woman if they felt that she was in any imminent danger. They must have been reasonably confident that she was safe where she was, in a car that would be locked. I just say, let us not beat up on the people who are trying their best to stop stupid behaviour. That young woman has learnt her lesson and, I think, in future, she will catch a taxi or catch the bus into town when she drinks.

**Mr PENGILLY:** Minister, what is the fee for collecting an impounded vehicle and what time frame does the owner have to collect the vehicle and pay that fee?

**The Hon. K.O. FOLEY:** Impounding has an administration charge of \$73; towing, \$232; vehicle storage, \$19.40 per day. A standard fee for a 28-day impoundment is \$848.20. For clamping, we charge \$30.75; to attach a clamp to and remove the clamp from a vehicle, \$73 plus 88¢ for every kilometre travelled to the clamp site, each way. A standard fee for clamping is \$176.75 plus 88¢ per kilometre to and from the clamping site.

We are endeavouring to cost recover because these guys have impounded a truckload of cars. We would be the biggest car yard in the state. Over 5,000 vehicles have been impounded since this law came into play. I have got to tell you, she was having a fair old hit on the budget bottom line there. I know that, as treasurer, and now as police minister, we are keen to start recovering that.

Here is a story for the journos hanging out for a story. Since the government introduced laws that took effect on 31 October 2010, 5,041 cars have been impounded across South Australia. Of those, 4,130 were impounded in the Adelaide metro area and the remaining 911 were across the other nine regional sites. Also, to date, there have been 292 vehicles clamped across all of SAPOL's local service areas. That is a serious piece of public policy, of law, that is getting these idiots and these hoons off the streets.

**Mr PENGILLY:** Just as a follow-up to that question then, minister, and your answer: what numbers of vehicles do the police currently have impounded as at 30 June, if you are able to answer that, and what income has SAPOL derived from the sale of those vehicles?

**The Hon. K.O. FOLEY:** Sorry. You asked how many cars we have impounded. I just answered it.

**Mr PENGILLY:** How many do you currently have impounded, as at 30 June, and what revenue has been raised, either for SAPOL or Treasury, through the sale of impounded vehicles?

**The Hon. K.O. FOLEY:** We keep them for 28 days. If the owner does not come back for them because they are a pile of crap we dispose of them; they have no value.

**Mr MARSHALL:** Is that the technical automotive term?

**The Hon. K.O. FOLEY:** Yes, it is, commonly used. So you do not really get much dough out of them. What, of course, you may be thinking of, too, is the ability our police now have to confiscate assets of people with unexplained wealth. My guess is you are probably likely to get some very valuable cars out of that exercise.

**Mr PENGILLY:** Minister, I am quite happy for you to take the question on notice, but we would like to know the amount of revenue.

**The Hon. K.O. FOLEY:** Sure.

**Mr PENGILLY:** Where that goes. Does it go to victims of crime, does it go into SAPOL income or where does it go? Can you come back with that?

**The Hon. K.O. FOLEY:** We will get you that, but this is not an income-generating exercise.

**Mr PENGILLY:** I realise that.

**The Hon. K.O. FOLEY:** It costs us a lot of money. We have to lease facilities, I guess, and physically manhandle—the labour cost in this exercise is very high, so we are endeavouring to cost recover on it, but we will come back to you with that information.

**Mr PENGILLY:** Thank you.

**Mr MARSHALL:** As a supplementary to that question, minister, your advice to the woman was that she should have waited in the car intoxicated. My understanding of the law is that you cannot be in the car if you are intoxicated. Can you provide some clarification on that law?

**The Hon. K.O. FOLEY:** I do not want to be demonstrating my superior legal knowledge to you, because we are both at different points of our career: I have had one, you have not, and I hope that that remains the case for some time. That's not true, the law is you cannot attempt to start a vehicle if you are intoxicated.

**Mr MARSHALL:** So you can be in the vehicle when you are intoxicated?

**The Hon. K.O. FOLEY:** Yes, as long as you are not trying to drive it. You can be a passenger as well, don't forget. You can be drunk sitting next to a sober driver.

**Mr MARSHALL:** So you can sit in the driver's seat—

**The Hon. K.O. FOLEY:** Drive or attempt to drive.

**Mr PENGILLY:** Was she in the driver's seat or in the passenger seat?

**The Hon. K.O. FOLEY:** How do I know? You are the one asking the question.

**Mr PENGILLY:** I am quite happy for you to take it on notice.

**The Hon. K.O. FOLEY:** How could I take that on notice? I don't know; you are the one with the story. I don't know whether she was in the driver's seat. She might have been asleep in the boot for all I know. Crikey! Just tell the young woman not to drive drunk. Hello? It ain't a hard one to work out.

**Mr PENGILLY:** Well, that is not the question. The question from the member for Norwood is really quite relevant, Chair. The question was, if the woman had an alcohol reading over .05 or whatever, was she in the driver's seat where she could actually drive the car or was she in the passenger seat? Do the police require her to be in the passenger seat or—

**The Hon. K.O. FOLEY:** I have to tell you, you are the one asking the question. You seem to have intimate knowledge.

**Mr PENGILLY:** Well, you won't answer it.

**The Hon. K.O. FOLEY:** How do I know whether she was in the bloody driver's seat?

**Mr PENGILLY:** Find out.

**The Hon. K.O. FOLEY:** Order!

**Mr PENGILLY:** Ring up the commissioner.

**The CHAIR:** Order, member for Finniss! We are now moving into the realms of the known unknowns, or the unknown known unknowns. I do not understand—

**The Hon. K.O. FOLEY:** I would hope—

**The CHAIR:** Order! I do not quite understand how the minister can provide more information about a situation that you have just put to him. However, I am sure he will, perhaps afterwards, have a discussion with you about that person and try to do so.

*An honourable member interjecting:*

**The CHAIR:** He is not a mind reader. Member for Finniss, any further questions on this matter?

**Mr PENGILLY:** I just would like the minister to come back. He probably does not even know the young lady—he may, I don't know. However, the reality is I would just like to know whether she should be in the driver's seat or the passenger seat if she has a blood alcohol reading.

**The Hon. K.O. FOLEY:** God, you are an idiot.

**Mr PENGILLY:** It is not a difficult question.

**The Hon. K.O. FOLEY:** You are an idiot, honestly. A nice idiot.

**The CHAIR:** Order!

**The Hon. K.O. FOLEY:** A nice idiot, but an idiot.

**The CHAIR:** Order!

**The Hon. K.O. FOLEY:** I apologise for saying that, Madam Chair; it is unlike me.

**The CHAIR:** Order! I think we should move on.

**The Hon. K.O. FOLEY:** It is unlike me to be so rude.

**The CHAIR:** It is.

**Mr PENGILLY:** I beg your pardon?

**The CHAIR:** I think we should—

**The Hon. K.O. FOLEY:** I will ask the actual—

**The CHAIR:** Order!

**The Hon. K.O. FOLEY:** Sorry.

**The CHAIR:** Look, I am in the chair, no-one else is. Alright? I think now we are going to move onto another question. The member for Norwood.

**Mr MARSHALL:** Thank you, Madam Chair. My question relates to Budget Paper 4, Volume 3, page 116. It is another revenue question that I have. It was reported recently in *The Advertiser* that a new expiation fee would exist for defects: \$120 for minor defects and \$250 for major defects. My understanding from this report is that it was going to be applied from the beginning of the 2011-12 period. In fact, the article used the example of a blown light bulb giving a \$120 fine. I wonder if the minister could advise whether this has come into play and where it appears in the budget.

**The Hon. K.O. FOLEY:** I have no idea. I am not being flippant here, or even critical, but that is a matter for the Minister for Transport; it is actually a DTEI issue. They are the ones who deal with—

**Mr MARSHALL:** But is it not SAPOL who issue the defect notices?

**The Hon. K.O. FOLEY:** I am sure they do, but that law or regulation or fine is administered by DTEI.

**Mr MARSHALL:** How will these defect notices be administered given that vehicle defects are often, historically, at the discretion of the police officer without relying on definitive measurements like whether or not windscreen wiper blades are safe and so on and so forth? When there was not a fine attached to it—where you get a defect notice, fix it up and come back—now they are actually going to another revenue measure for the government and I just wonder how these will be administered fairly?

**The Hon. K.O. FOLEY:** We will come back to the house with an answer on that. The acting commissioner just mentioned a couple of points to me about some administrative issues with that that we are still trying to work our way around.

**Mr MARSHALL:** But don't they come into effect today?

**The Hon. K.O. FOLEY:** I am not absolutely certain, to be honest. We will find out.

**Mr MARSHALL:** Minister, it would be good if we could get an answer sooner rather than later because this is a revenue measure that has come into effect today and, by your own admission in the committee today, you don't know how they are going to be administered and the deputy commissioner does not know how they are going to be administered—

**The Hon. K.O. FOLEY:** Hang on.

**Mr MARSHALL:** —in your department.

**The Hon. K.O. FOLEY:** No, hang on, you cannot say that.

**Mr MARSHALL:** Well, sorry!

**The Hon. K.O. FOLEY:** My advice is that it has, in fact, not come into effect as of today because the government is still in the process of resolving some administrative issues with that matter.

**Mr MARSHALL:** Thank you very much.

**The Hon. K.O. FOLEY:** But it is not something that the police minister or the police commissioner has responsibility for; it is a department of transport enforced measure to keep the quality of our cars up to an acceptable standard.

**Mr GOLDSWORTHY:** Madam Chair, I refer to page 101, under Performance Indicators. It is estimated that in the 2010-11 period, 227 incidents of self-harm have occurred to people within police custody. Are police staffing levels dependent on the number of people in custody at any particular time? That is, do police staffing levels increase or decrease in relation to the number of people held in custody at any one time?

**The Hon. K.O. FOLEY:** I will let the acting commissioner answer, but I will just say a couple of quick points: one is that you can never accuse this government of not providing substantial and increased resources to our police department. We have, every year, increased the number of sworn officers by significant numbers as well as giving increased resources right across the board. No doubt, I am sure if the police commissioner could have more resources he would and, without wanting to speak for him, I think we have a pretty well-resourced police department, but there will always be wants of more money. I will let the acting commissioner answer the specifics about that issue.

**Mr BURNS:** A number of factors come into play. Predominantly, it is about increased reporting and increased training for the people involved in custody management. What we have done now is there is a higher recognition of behaviour that may lead to self-harm and that gets reported as well. There is also an element of—some prisoners will attempt self-harm in order to seek bail or release into the hospital system, but ultimately the major issue here is increased reporting because of increased training and the logging of any self-harm incident, and that could be anything from a bang on the head in the cell to a cut, so that is where it is. It is nothing to do with resourcing; in fact, it is better prisoner management from SAPOL.

**Mr GOLDSWORTHY:** Thank you for that response. Following on from that, is there an officer to person ratio when it comes to supervising people in custody? Is it four to one, just as an example?

**The Hon. K.O. FOLEY:** Four to one? What do you want us to do? Bloody bath him, shower him and clothe him? Crikey! Rock him to sleep! Read him a book; read him a little good night story or something! We will come back to the house with that. The assistant commissioner can give us an answer.

**Mr BURNS:** I do not have an officer-prisoner ratio. Ours is about risk assessment and risk management. We have supervisors in charge of the cells' areas. They will bring in additional people for the management of the cells if they need them dependent on the number of prisoners, because a whole range of factors come into play as well. You may have a range of compliant prisoners but, on the other hand, you may have prisoners who are highly volatile, which would need additional police resources as guards. In short, there is no ratio number: it is more about risk management and ensuring that the right numbers are in place as a result.

**Mr GOLDSWORTHY:** Of the 227, do you have any statistics that give information advising whether any of those prisoners, people in custody, require medical treatment or hospital treatment?

**Mr BURNS:** I do not have the figures. I am sure that I can get those figures out of session for you. There were no deaths in custody over this financial year. What I would say is that the

significantly vast majority are very minor injuries, and I am not sure whether they actually needed hospital treatment or treatment at the scene.

**Mr MARSHALL:** My next question, again, relates to Budget Paper 4, Volume 3, and, again, page 116. I want specifically to refer to another revenue measure in this budget, that is, roadside registration checks. Roadside registration checks are again carried out by police using advanced wireless equipment to immediately check vehicle registration status using vehicle numberplate details.

The current expiation fee for driving an unregistered vehicle is \$258 and \$517 for driving an uninsured vehicle. There has been quite a bit of media coverage recently on what happened when Western Australia moved to that same system that we are implementing here, with twice as many Western Australians being caught with unregistered vehicles. Has the minister received any advice regarding what impacts the implementation of this scheme in SA will have on expiation revenue?

**The Hon. K.O. FOLEY:** I guess that if the Western Australian experience is anything to go by, it will have a positive impact. I can tell you that, during my time as treasurer with the Motor Accident Commission, one of the biggest problems the Motor Accident Commission faced was the number of unregistered and uninsured cars, and that has a direct impact on the cost and efficiency of our comprehensive third party scheme.

The more unregistered vehicles we can get off the road or get registered the better; so, if this has the effect of doubling the amount of fines, I would have thought that is a good thing. There is, unfortunately, an unacceptable number of unregistered cars in the state.

**Mr MARSHALL:** Just for clarification, though, the old system required a label on the car. I think that maybe the opinion within the public is that, by taking that off, you do not have that visual reminder every time you get in the car. You get one notice and it gets lost, and so on and so forth, and you are going to be fined. This is certainly the experience in Western Australia. It is not as if suddenly there was a massive, intentional—

**The Hon. K.O. FOLEY:** Hang on. These are questions that you should direct to the Minister for Transport. That is a DTEI decision. Our officers, in part, enforce it, but this was a policy decision of the transport portfolio.

**Mr MARSHALL:** I would say that it is probably cabinet, because it is another revenue-raising measure.

**The Hon. K.O. FOLEY:** Well, it was cabinet, and it was the treasurer of the day, me. But, in terms of its operations, you will need to ask the transport minister.

**Mr MARSHALL:** So, that money would become revenue for DTEI?

**The Hon. K.O. FOLEY:** No, it goes into Consolidated Account.

**Mr MARSHALL:** My next question relates to Budget Paper 4, Volume 3, page 89, and it relates to Adelaide's night-time entertainment precincts, specifically the objective of the Public Safety Program to manage major events. Late-night CBD entertainment precincts have received focused police attention throughout busy periods. One such example, of course, is Hindley Street. Has SAPOL provided any advice to the minister on the need for additional lighting and temporary toilets in Hindley Street for busy periods?

**The Hon. K.O. FOLEY:** Not from recollection. This government actually tried to make a closing hour for our pubs and clubs, which the Liberal Party rejected. So, we would have less of a problem—

**Mr MARSHALL:** This question relates specifically to busy periods, which would be from 4 o'clock to—

**The Hon. K.O. FOLEY:** —in Hindley Street if the Liberal Party was prepared to back this government's adjustment to closing hours—it did not.

**Mr MARSHALL:** Yes, but this relates specifically to busy periods.

**The Hon. K.O. FOLEY:** I cannot recall the police commissioner asking me for more toilets. In fact, I cannot even envisage a situation where the police commissioner would ask me for more toilets, to be honest.

**Mr MARSHALL:** It is commonplace in other busy entertainment precincts around the country, for example, Kings Cross, where weekend evenings are treated as major events, with the

provision of additional facilities to cater for these busy periods. Does the minister concur that the provision of additional facilities (lighting and toilets) in precincts such as Hindley Street could curb anti-social behaviour?

**The Hon. K.O. FOLEY:** We are looking at this issue. The Minister for Gambling, and liquor licensing, minister Gago, has responsibility for this area. Our police have given advice as to what they think should be done. A lot of this is up to the Adelaide City Council and regulations and traders. Yes, more lighting would be good. Dealing with dark alleys would be sensible. But these are not matters for which the police have responsibility, these are, for the most part, the responsibility of the Adelaide City Council and individual premise owners. As for toilets, I do not think there was a specific recommendation on toilets, but I will go back and have a look.

**Mr MARSHALL:** I accept that you are saying that it is the Adelaide City Council's responsibility, but the specific link was to major events. The police do provide these facilities (lighting and additional public toilets) for major events. In other jurisdictions, people would refer to busy periods on existing streets as a major event, as they do in Kings Cross, and I am just wondering whether this is something that the minister would consider?

**The Hon. K.O. FOLEY:** No. This is a very surprising response from me, but the police are not in the business of providing public toilets. I am prepared to go so far as to state that under this government our police will not be responsible for the provision of public toilets.

**Mr MARSHALL:** It is about managing safety at major events. You have a program specifically called the Public Safety Program and it deals with major events.

**The Hon. K.O. FOLEY:** I have taken a bold move here to state a policy without consulting the Premier or cabinet, but I am not going to require police to deliver portable loos to events. That does remain the responsibility of event organisers and I think that is where that responsibility should remain. The people running an event, they do that, they get the toilets.

**Mr MARSHALL:** We are not talking about running an event, we are talking about managing the safety of people on Hindley Street and other major—

**The Hon. K.O. FOLEY:** I am not going to have our coppers rock up towing a bloody portaloos. Give me a break! They have enough to do without having to clean toilets.

**Mr MARSHALL:** Thank you, minister.

**Mr GOLDSWORTHY:** Budget Paper 4, Volume 3, page 88. I note that the Murray Bridge Police Station has a budget of \$7.2 million in the 2011-12 year. Can you provide some detail relating to, I presume, the rebuilding of that police station?

**The Hon. K.O. FOLEY:** We are doing it.

**Mr PENGILLY:** Public Works next week.

**The Hon. K.O. FOLEY:** Public Works next week, your colleague said to us. I am sure he has the submission. You can have a look at it after the meeting.

**Mrs VLAHOS:** The 20<sup>th</sup>.

**The Hon. K.O. FOLEY:** The chair just said the 20<sup>th</sup>, so he will have the submission for you. It is a significant upgrade. There is a big population growth; that is interesting. In 2001, there were 14,000 people in the Murray Bridge area and surrounding districts. It is now 20,000; in eight years. That is quite impressive.

We are going to build a new police station which will accommodate expanding policing requirements. It will have a public reception area and interview rooms, accommodation for police patrols and secure parking for patrol vehicles, criminal justice section accommodation, criminal investigation branch accommodation, forensic crime scene laboratory and office, traffic police patrols, administrative staff, conference room, cell complex with secure imprisonment management facilities designed to comply with current custodial management standards and compliant with deaths in custody coronial recommendations, exhibit and drug storage facilities, meal rooms, locker rooms and showers. There is no mention of toilets. You can have your own toilets. I am not going to stop you having your own toilets.

**Mr GOLDSWORTHY:** You've got to have some.

**The Hon. K.O. FOLEY:** I think Denis has taken me literally there. He only went for the locker room and showers. No; you can have your own toilets.

**Mr GOLDSWORTHY:** When is it due to be finished?

**The Hon. K.O. FOLEY:** October 2012.

**Mr GOLDSWORTHY:** And it is on budget and on track?

**Mrs VLAHOS:** It hasn't started yet.

**The Hon. K.O. FOLEY:** We have to give it a chance to run over budget. It has not had that chance yet. Let us hope it doesn't.

**Mr GOLDSWORTHY:** I refer to page 56 of Budget Paper 6 and the budget measures statement. I note that there will be a total of \$4.2 million of savings lost in the 2011-12 financial period due to the delays in the previous budget period in limiting court-awarded costs against police and introducing court enforcement fees. Minister, can you outline the reasons for the delays?

**The Hon. K.O. FOLEY:** We had to get legislation through the house which went through the other night, and you have given me a good segue. Some of the debate that was in this place the other night about court-awarded costs, particularly coming from the Leader of the Opposition, I guess as a former lawyer, I thought was quite disappointing in terms of reflecting on the police as if they would somehow, under this new regime, take less care in terms of cases they bring to prosecution because they are not going to have court-awarded costs attached to them in a magistrates court.

I thought that was quite inappropriate and unfair and a slight on our prosecutorial people in police, but that was a delay in that legislation. It is in and we have to adjust the accounts accordingly until we start to get the revenue impact of that decision.

**Mr GOLDSWORTHY:** I refer to the construction of the new road safety school on page 57 of the budget measures statement. It is proposed that the training roadway will be within Bonython Park and is being considered as part of the Adelaide council's proposed Bonython Park activity hub. We understand that the track is scheduled for completion in October. The question is: has the activity hub proposal been finalised and therefore the track construction approved?

**The Hon. K.O. FOLEY:** As you said, it is an Adelaide City Council initiative. You will have to ask them, I guess, or is it ours? We are relocating it and the little kiddies' track will be—I rode at the old one as a kid. Did you?

**Mr PENGILLY:** A long time ago.

**The Hon. K.O. FOLEY:** A little three-wheeler, from memory; they would not give me a two-wheeler. On 16 December 2010, representatives from SAPOL and DTEI building management workshopped the preferred proposal to locate the mock roadway in the adjoining Bonython Park with members of the Adelaide City Council and the Adelaide Park Lands Authority—that august body that keeps our Parklands free from permanent grandstands for V8 supercars. Apparently we have in-principle agreement for the proposal, and the draft concept design was presented on 19 January. We are getting there. We expect that the new mock roadway will be built by 2012 and the entire facility completed by December 2012.

**Mr GOLDSWORTHY:** What has the financial input been from the government and do you have any information on what that input has been from the council as well?

**The Hon. K.O. FOLEY:** For the kiddies' roadway?

**Mr GOLDSWORTHY:** For the new road safety school.

**The Hon. K.O. FOLEY:** Capital investment budget of \$3.55 million. That is state government, I am not sure what the council is putting in; probably a lot less, obviously, as is normally the case.

**Mr GOLDSWORTHY:** And you have not got the figure for what the council is putting in?

**The Hon. K.O. FOLEY:** No; we are the state government. You would have to ask that of the council. We do not have the number here.

**Mr GOLDSWORTHY:** Has the construction of the classroom and administration facilities, which is part of the Road Safety School, at the Thebarton Police Barracks started?

**The Hon. K.O. FOLEY:** We are still getting Development Assessment Commission approval.

**Mr GOLDSWORTHY:** Any idea how long the process may run?

**The Hon. K.O. FOLEY:** No; quick as possible—promise. Have you run out of questions, you lot?

**Mr GOLDSWORTHY:** No; we have got heaps.

**Mr PENGILLY:** We will keep you here all day if you like.

**The Hon. K.O. FOLEY:** How about testing me?

**Mr PENGILLY:** That's coming (not this one, though). I refer page 32 of the Capital Investment Statement, the existing project of hi-tech crime fighting equipment. I note that the completion of the project has been pushed out by a year to the June quarter of 2013. What are the reasons for the delay in completion?

**The Hon. K.O. FOLEY:** Well, I think we have to admit publicly that we have had a rethink on the issue of Star Chase. I think it is a bit like a dog chasing a car, and what you would do if the dog catches the car. Like most things involving computers, we have abandoned the Star Chase process; we have already publicly announced that. For the \$2.625 million for portable fingerprint scanners, we have \$2 million in this year and \$625,000 the following year. We have developed a scoping paper on it. A project team will be set up to determine the specifications of the device. This will assist in establishing time frames for legislation changes that are required. There is \$850,000 for handheld MDTs.

**Mr PENGILLY:** What are they?

**The Hon. K.O. FOLEY:** Mobile data terminals, of course. We are currently at the research of market prices for software and hardware stage. This research is required before going to tender. For one million automated numberplate recognition mobile cameras, preliminary planning is under way. Staff are to be identified as part of a working party for the ongoing implementation of the project. It is well and truly underway.

**Mr PENGILLY:** Given that the Star Chase trial has been cancelled, will that money be saved within the police budget or redirected elsewhere?

**The Hon. K.O. FOLEY:** Redirected.

**Mr PENGILLY:** In its 2010 state election policy, the state government committed \$7.89 million for state-of-the-art police equipment. Of the \$7.89 million how much was dedicated to Star Chase before it was abandoned?

**The Hon. K.O. FOLEY:** Only a small amount, I think—\$250,000.

**Mr PENGILLY:** Finally, has the minister received any independent recommendations relating to the suitability of Star Chase within South Australia specifically (understanding that has been dumped)?

**The Hon. K.O. FOLEY:** I tell you what, I did not get any independent advice, because we do not do that. I take the advice of my trusted senior officers. Fortuitously, acting commissioner Gary Burns saw it himself, and my guess is that, once he saw it, he was not overly excited by it. The acting commissioner will be quite happy to give us his observations.

**Mr BURNS:** I had a look at it when it was demonstrated in Arizona. It is a piece of equipment that is pretty much like a small mortar placed on the front grille of a vehicle. It is activated either remotely by the operator, or through the vehicle. You have to be within 20 feet of the vehicle you are chasing for it to hit, and then it is connected by a combination of a magnetic and adhesive device, and from that point on it can track, and it does track well. The difference for us is that the pursuit policies in the United States are very much different from the pursuit policies we have in South Australia. To place a police vehicle in South Australia 20 feet behind a vehicle that is fleeing police is dangerous.

The other aspect is that this was still a prototype when used by the Arizona Bureau of Safety; they had used it about nine times, at that stage, on one vehicle (a V8 pick-up truck). For us, the issue is that we drive Commodores, and we actually turn our Commodores over at about every 60,000 kilometres. Some of the American vehicles are up around the 200,000 mile mark and are still operating, so there would be huge fit-out costs to continually change these over every operational police fleet.

Having a look at it and considering the safety, the piece of equipment itself, and how it would apply in South Australia, the determination was made that it was not suitable. So, we are

now speaking with the minister about trying to obtain similar types of benefit through other technology to assist in pursuits.

**Mr PENGILLY:** Thanks very much. Minister, I refer to page 87 of Budget Paper 4, Volume 3, Budgeted FTEs. How many FTEs does the minister estimate will be lost in natural attrition in the 2011 financial period?

**The Hon. K.O. FOLEY:** We will come back to the committee on that.

**Mr PENGILLY:** Minister, to the best of your knowledge of police statistics shown within the annual reports, and used by the government media, what is the definition of 'natural attrition' within the police workforce?

**The Hon. K.O. FOLEY:** Someone leaving, I would have thought. Retirement.

**Mr GOLDSWORTHY:** And resignation?

**The Hon. K.O. FOLEY:** Resignations and retirement, the odd person we might have flicked.

**Mr PENGILLY:** Further on that same page: how many sworn police officers are currently off on WorkCover, and how many of these are claims which have arisen inside the current financial year; that is, ending yesterday, 30 June 2011?

**The Hon. K.O. FOLEY:** We will come back to the committee with that.

**Mr PENGILLY:** How many new claims arose throughout the preceding four financial years?

**The Hon. K.O. FOLEY:** We will come back to the committee with that statistical information.

**Mr PENGILLY:** Thank you. How many sworn police officers are currently on leave considered to be work-related stress leave, and how does that figure compare with 2010, 2009, 2008 and 2007? You might want to come back with that one.

**The Hon. K.O. FOLEY:** We will go back and have a look at that.

**Mr PENGILLY:** How many sworn South Australian police officers are UK recruits?

**The Hon. K.O. FOLEY:** Yes, we will come back to the committee with that.

**Mr PENGILLY:** And, as a follow-up to that question, has there been a higher resignation rate pro rata from the UK recruits than from South Australians?

**The Hon. K.O. FOLEY:** I will ask the acting commissioner to respond.

**Mr BURNS:** There is a higher attrition rate with UK recruits.

**Mr PENGILLY:** There is?

**Mr BURNS:** Yes. I think the attrition rate is around about 20 per cent when you take the first course out, which were recruited in a compacted time period. What I would say is, whilst we had an attrition rate higher than local attrition with UK recruits, because they are coming in with three to five years' experience with a shorter training course, you are able to put people onto the streets and into operational policing very quickly.

Some of these people have obviously gone home; they have family issues or they have had economic issues at home. Others have actually gone into other employment within South Australia and Australia, so they remain within the Australian employment demographic. So, in terms of value, we think there is still significant value to SAPOL with UK recruiting.

**Mr PENGILLY:** Minister, how many United Kingdom officers have been recruited this financial year, and how many for the preceding four financial years?

**The Hon. K.O. FOLEY:** We will get to that information. We are currently in the market in the United Kingdom at present. The reality is—and this is a debate we had when I was last police minister, and it was the right decision of government—that in a tight labour market, availability of labour is scarcer.

One thing you can do is lower the standards of the officer or the person who you are prepared to accept to come into the force, or you look for labour elsewhere in the market. The

commissioner was absolutely rock solid and firm, and I fully supported it, that we would not allow a reduction in the quality or the standards that we expect.

To fill vacancies, we have gone to the United Kingdom. It has been a terrifically important exercise, I think, for ensuring (a) we get the growth in numbers in the police force—the largest it has ever been. Secondly, I am a strong believer that immigration is a good thing. Skilled immigration in particular, is a very good thing.

As the acting commissioner just said, a lot of these police officers are incredibly experienced and the ability to add value to the organisation more broadly is quite significant. The experiences that non-UK officers are learning from UK officers is very important. We will always prefer to recruit locally if we can, but, if there are labour market difficulties, as there are at present, we will look to the United Kingdom because they are a good-quality copper.

**Mr PENGILLY:** Thank you for that. Minister, over the past four years, what has been the net recruitment rate of UK officers, taking natural attrition and other attrition into account?

**The Hon. K.O. FOLEY:** As of 12 April 2011, a total of 517 UK officers have been recruited. Of these, 143 have separated. The overall attrition rate of UK recruits is 27.7 per cent. Of the 143 separations, 44 are from the March 2005 UK course. That was the first one, as the commissioner said. That was the first one and people were coming in, I guess, with eyes a bit glazed in terms of their reasons for coming. But if you exclude that first course, the attrition rate is 22.8 per cent, compared with the local attrition rate of 10.3 per cent.

**Mr PENGILLY:** Just finally on this one, have SAPOL changed their selection criteria or have they made potential police officers coming from the UK more aware of the conditions and circumstances in South Australia? Do they provide enough peer support? I do not disagree with you. I have met a number of the UK officers, but the attrition rate would seem to be concerning.

**The Hon. K.O. FOLEY:** I will ask the commissioner to respond to that because he has had a lot of intimate experience with this.

**Mr BURNS:** If we go back to the first UK course, we wanted to get police in fairly quickly to make up numbers. We had quite a large take up within the United Kingdom. We went over, did the selections and came back. Then, post that time, quite a number left because of economic reasons. The global financial crisis kicked in in 2008. Some of them had not sold houses. Some of them actually took leave without pay from their own forces to come out here and work, with the intention of working for two or three years and maybe moving on.

What we have done since that time is learn our lessons from the initial recruitment there, and we have continued to learn those lessons in the subsequent recruitment periods. So, we have a very strong support network. We make contact through the internet and intranet. Originally UK-based recruits now go over with our recruiting team when we go to the United Kingdom, so they can explain everything and the conditions, etc., over here. Since that time, whilst the attrition rate is higher than local, it has been a far better process for us. Obviously, you can see it has reduced the attrition rate from that first course.

**Mr PENGILLY:** So, the process, you think, has been improved to the extent where we will not have these accelerating attrition rates?

**Mr BURNS:** I think it has been improved significantly. I think that there is always the potential that UK attrition will be higher than local attrition, simply because family, friends and their houses are back in the UK and some get homesick. It is not even them necessarily that are getting homesick but their own families that get homesick.

When you look at the experience they bring—they generally have three to five years' operational experience. That was one of the other things we learnt. The first UK course actually had some people of significant rank, inspectors and sergeants. They probably came out here with higher expectations. Now we are really looking around the constable mark so that they understand that they will become part of our qualification framework and progress through our police force. Like I said, I think it will be above the local recruitment rate but, as you have seen, it is now far lower than the original course.

**Mr PENGILLY:** Minister, I ask the question without actually knowing, but I presume that there are relocation costs put in place for these UK officers as part of the package to get them here. If that is the case, is there a mechanism to reclaim some of those, what would be considerable costs?

**The Hon. K.O. FOLEY:** We do not assist them with relocation costs.

**Mr PENGILLY:** You don't?

**The Hon. K.O. FOLEY:** No.

**Mr PENGILLY:** End of story. Thank you.

**Mr MARSHALL:** My next question refers to Budget Paper 4, Volume 3, page 95, and deals specifically with Sub-program 2.1: Personal Crime. 'This sub-program includes targeting crimes against the person such as robbery, serious assault and sexual offences.' Through you, minister, I would like to ask the assistant commissioner whether he could advise the committee whether he has ever experienced a person intentionally identifying the wrong person in a photo line-up in order to scuttle a court case?

**The Hon. K.O. FOLEY:** Say that again. That obviously referred to me. I was looking at something else. Repeat that, please.

**Mr MARSHALL:** Yes, the question is through you to the assistant commissioner. Has the commissioner in his experience—

**Mr SIBBONS:** What budget line is that on?

**Mr MARSHALL:** It is 2.1: Personal Crime; I announced that, page 95. I can read it out again if you did not hear it.

**Mr ODENWALDER:** Point of order.

**The Hon. K.O. FOLEY:** I am happy to take it, because it was a cheap shot, but let's hear it. Ask it again.

**Mr MARSHALL:** Thank you, minister.

**Mr ODENWALDER:** I have a point of order. He cannot direct a question to the commissioner, whether it is through the minister or not. He needs to direct the question to the minister.

*Members interjecting:*

**The ACTING CHAIR (Mrs Vlahos):** Member for Little Para, can you speak into your microphone because there seem to be some issues.

**Mr ODENWALDER:** My simple point of order was that he needs to direct the question to the minister. He cannot direct a question to the assistant commissioner through the minister.

**The ACTING CHAIR:** This is in fact true, member for Little Para, and I would uphold that. Would you like to rephrase that question?

**Mr MARSHALL:** Yes, I am happy to rephrase it. Has the minister or any of his officers ever experienced a person intentionally identifying the wrong person in a photo line-up in order to scuttle a court case?

**The Hon. K.O. FOLEY:** I did not hear that either. What was it again?

**Mr MARSHALL:** Sorry, minister.

**The Hon. K.O. FOLEY:** I heard the second half. I am just reading a fascinating story about—

**Mr MARSHALL:** Has the minister or any of his officers ever experienced a person intentionally identifying the wrong person in a photo line-up in order to scuttle a court case?

**The CHAIR:** Sorry, member for Norwood—

**The Hon. K.O. FOLEY:** No, I am going to respond to that, because that—

**The CHAIR:** Minister, you may respond but, member for Norwood, what budget line does that relate to?

**Mr MARSHALL:** Madam Chair, it relates to Budget Paper 4—

**The CHAIR:** I do not quite see how that relates to the budget. Surely that is an operational matter.

**Mr MARSHALL:** Can I explain?

**The CHAIR:** Yes, please do.

**Mr MARSHALL:** Budget Paper 4, Volume 3, Page 95, Sub-program 2.1: Personal Crime. It states quite clearly in these budget papers that the objective of this program is:

The sub-program includes targeting crimes against the person such as robbery, serious assault and sexual offences. The aim is to achieve a reduction in the incidence and effects of crimes against the person.

**The CHAIR:** If the minister chooses to answer that, he may, but I will put it on the record that I think that is straying outside the remit of this particular committee.

**The Hon. K.O. FOLEY:** Madam Chair, it is a grubby, grubby question. The inference of this person's question is that I deliberately misidentified a person.

**Mr MARSHALL:** Sorry, there is no inference.

**The Hon. K.O. FOLEY:** No, I am answering this question, member for Norwood, and I know exactly where you are going with this. You are implying under parliamentary privilege—because you would not have the courage to walk outside this chamber, and you are saying and implying quite deliberately—

**Mr PENGILLY:** Point of order, Madam Chair.

**The Hon. K.O. FOLEY:** No, there is no point of order.

**Mr PENGILLY:** There is a point of order. You are implying improper motives about the member for Norwood.

**The Hon. K.O. FOLEY:** Absolutely.

**Mr PENGILLY:** That is against the standing orders.

**The CHAIR:** Order! I can understand what the minister is saying on this particular point and, as I have said previously, I do think that you are straying outside the remit of this committee. The minister has chosen to answer this question. I really do not think that he should be forced to do so in any way, shape or form. You do not have a point of order, member for Finniss, and if the minister wishes to continue he may. Having said that, he does not need to. That is my ruling on the point of order.

**The Hon. K.O. FOLEY:** Thank you. Can I say that if the member for Norwood—

**Mr PENGILLY:** Point of order.

**The CHAIR:** Don't raise frivolous points of order.

**Mr PENGILLY:** Madam Chair, it is clearly in the standing orders of this parliament that implying improper motives against another member is out of order, and that is what the minister is doing.

**The CHAIR:** And that rule follows for everyone, not just the minister, all right? There are inferences here that I don't like that have been made by the member for Norwood and I have said to him twice now that I do not think that they are really within the remit of this committee. He has, however, asked them. The minister has chosen to answer them. There is no further point of order. I have ruled on that. If the minister wishes to continue he may.

**Mr PENGILLY:** Can I—

**The CHAIR:** If you want to continue, member for Finniss, to disagree with the chair, you know that that is in itself unparliamentary. Okay? So I think we should just carry on. If you have another point of order, so be it.

**The Hon. K.O. FOLEY:** I say to the member for Finniss I have just been slurred. I want the chance and I will get the chance to rebut. If you want to cover up for your mate, do so, but I think you have a bit more character when, at least, it comes to me. That was an unacceptable slur at me. If you want to become a minister, member for Norwood, my advice would be do it on performance of quality and of stature; don't try and get there by mudraking and abusing this chamber, and vilifying an individual.

I made a selection with police officers videotaping that. I had two sworn senior police officers overseeing my selection of the person and I am not going to reveal the content of any advice or discussions I have received since that point, but I did receive a letter from a very senior non-police officer that identified the difficulty in prosecutions where a person has difficulty in identifying a person.

I desperately wanted that matter to go to trial, because any of us in public life, whether it is me or the opposition, at 9.30 on a Saturday evening when leaving a formal function with a friend going to what we considered to be a tapas bar of quality, not a nightclub—for me to be physically assaulted and threatened by three individuals was an unacceptable risk for a public figure.

One day you might be a minister and one day you might find yourself in a similar situation. All I say is if you want to become a minister do it on your ability, don't do it by dragging me down into the gutter.

**The CHAIR:** Are there any further questions on the budget line in question: the budget line?

**Mr MARSHALL:** Can I just make a point of clarification. I was in no way implying anything in the question. There has been considerable discussion, both in the parliament and also in the public, regarding police line-ups.

**The CHAIR:** What is your point of order?

**Mr MARSHALL:** It is a point of clarification.

**The CHAIR:** You are not making a point of order. What point of clarification?

**The Hon. K.O. FOLEY:** We know exactly what you were saying and let's leave it at that.

**Mr PENGILLY:** Madam Chair, I have got another question.

**The CHAIR:** Another question, excellent, member for Finniss.

**Mr PENGILLY:** I refer to the Statement of comprehensive income on page 107 of Budget Paper 4, Volume 3. The estimated long service leave expense for 2010-11 is \$18.75 million. The government changed the law before the last South Australian election to allow public servants to cash in their long service leave. That included members of SAPOL. My first question is how many applications have been made since that time to cash out long service leave and how many applicants are considered front-line officers?

**The Hon. K.O. FOLEY:** We do not have that information with us; we will come back to the house.

**Mr PENGILLY:** Have you had communications with the Department of Treasury and Finance, formal or otherwise, with regard to the application of a long service leave cashing-out arrangement?

**The Hon. K.O. FOLEY:** Have I had advice?

**Mr PENGILLY:** Yes.

**The Hon. K.O. FOLEY:** I made the policy, my guess is. We will come back to the house.

**Mr PENGILLY:** Thank you. Minister, have you had any discussions with the Police Association regarding the same matter?

**The Hon. K.O. FOLEY:** We have just concluded an enterprise bargaining agreement, and various matters were raised in that process.

**Mr GOLDSWORTHY:** I refer to Budget Paper 4, Volume 3, page 88 and the second-hand dealers and pawnbrokers initiative. Can the minister provide an update on the situation of the revised Second-hand Goods Bill?

**The Hon. K.O. FOLEY:** We will come back to the house with that.

**Mr GOLDSWORTHY:** Consultation on the draft legislation closed on 28 May 2011. Are you able to advise the committee how many submissions were received by SAPOL concerning the consultation process?

**The Hon. K.O. FOLEY:** The commissioner has just advised me that he actually signed off details of the consultation to me yesterday in a file, and I have not seen it as yet.

**Mr GOLDSWORTHY:** Do you have any idea how long it may be until the bill is introduced into parliament?

**The Hon. K.O. FOLEY:** It would be a few months off yet, I guess. We have to take the consultation on board and consider it and take it back to cabinet.

**Mr PENGILLY:** I refer to page 89 of Budget Paper 4, Volume 3 and the expenses of the Public Safety Program. What incentives or subsidies does the department offer to police officers required to rent or purchase housing in regional areas?

**The Hon. K.O. FOLEY:** We do have a subsidy scheme for people in regional areas. We have redefined some of those boundaries of late. We will come back to the house with those.

**Mr PENGILLY:** I refer to the same page, Madam Chair. Since the announcement that police housing would be sold off within a 100-kilometre radius of Adelaide, how many properties occupied by members of SAPOL have been sold?

**The Hon. K.O. FOLEY:** We would not have that information with us. We will come back to the house with that.

**Mr PENGILLY:** I refer to page 87 of Budget Paper 4, Volume 3, and the FTEs of SAPOL. Is attracting police to regional South Australia a significant issue for the department?

**The Hon. K.O. FOLEY:** I guess that is a fairly broad-ranging question. The acting commissioner has been a serving officer for sometime; he might be able to give us an idea as to whether it has got easier or harder—I guess, harder.

**Mr BURNS:** We have had difficulties in filling some small stations, in particular. Obviously, we deal with a different workforce now, and you would see it right throughout society where there is a general intent to stick in large metropolitan, city-based areas. What we have done is to offer incentives (level 1, level 2, level 3 incentives) and, as a result, that has significantly reduced the number of vacancies.

**Mr PENGILLY:** How many vacancies currently exist in regional South Australia in SAPOL?

**The Hon. K.O. FOLEY:** We have an answer.

**Mr PENGILLY:** I thought you might have.

**The Hon. K.O. FOLEY:** As at 31 March 2011, 65 country positions (7.9 per cent) were vacant and subject to a selection or transfer process; 15 sworn officer positions have been vacant for six months or more and 10 are proving difficult to fill; and four positions have remained vacant whilst they are subject to an organisational review. These four positions may well be restructured to provide assistance at other country locations.

**Mr PENGILLY:** In March this year (same page) the shadow minister (Hon. David Ridgway) from another faraway place raised concerns about the lack of a police officer at the one-officer Kalangadoo station. Are any one-officer stations currently unstaffed?

**The Hon. K.O. FOLEY:** There may be; we will come back to the house on that.

**Mr GOLDSWORTHY:** I refer to page 86, Budget Paper 4, Volume 3 and administered items for unclaimed property. Do you have any information in relation to the revenue generated from unclaimed property sold throughout the budget year, and do you have a budgeted amount for this coming year, 2011-12 year?

**The Hon. K.O. FOLEY:** I do not think you could budget for unclaimed property. We may, but I would be surprised if we did.

**Mr GOLDSWORTHY:** Or an approximation?

**The Hon. K.O. FOLEY:** We will have a look at that question and come back to you.

**Mr GOLDSWORTHY:** I refer to page 105 of the same budget paper, under the heading of Performance Indicators. I note it is estimated that 4,200 actions were taken in the 2010-11 period in response to traffic watch complaints. Can you outline the typical actions of SAPOL which follow a traffic watch complaint?

**Mr BURNS:** There are a number of courses of action. Once the complaint comes in, if there is insufficient information it might be filed, in other matters it would go out to local service areas for further follow up and then there could be cautionary notices issued to the driver involved, and in some instances they can be arrested, reported or an expiation notice issued.

**Mr GOLDSWORTHY:** Do you have a list of what the top 10 offences would be?

**The Hon. K.O. FOLEY:** We will come back to the committee with that.

**Mr GOLDSWORTHY:** I refer to page 99 of the same budget paper, Performance Indicators. I note that there are currently approximately 609 active Neighbourhood Watch groups. Does the minister believe that with the ageing population there is an increasing level of difficulty in attracting new or younger members to these groups?

**The Hon. K.O. FOLEY:** As an active member of parliament I guess we would have as good an understanding of this as the police themselves would have—no question. In an ageing society with more and more competing interests these things become more difficult to manage, but I think we have had a refresh program in recent years of how we do Neighbourhood Watch. It is difficult, yes.

**Mr GOLDSWORTHY:** Are there any resources dedicated to promoting Neighbourhood Watch groups with a view to boosting membership?

**Mr BURNS:** We have a state crime prevention branch, which has a specific section within it dedicated to Neighbourhood Watch and the support of all Neighbourhood Watch areas, and then within every local service area we have a crime prevention section and within those sections their role is to develop and assist Neighbourhood Watch groups, provide support to those groups and, as I said, where areas are flagging to provide some support to them as well to see what we can do. So, there are dedicated officers within SAPOL designed to assist Neighbourhood Watch.

**Mr PENGILLY:** Budget Paper 4, Volume 3, page 97, Sub-program 2.3: Illegal Drugs. This is a parochial electorate issue. I am, and I know that many members of government agencies, schools, SAPOL, it goes on, are deeply concerned about the rising levels of drugs, particularly the use of drugs by young people. It is probably not only particular to my electorate, but I am horrified that school children on Kangaroo Island are being exposed to methamphetamines and increasing amounts of cannabis. I know that the level of availability of methamphetamines on the South Coast is high.

I am also very conscious that the police would not want to let too much information out on what they are doing about this. However, it is of terrible concern to me, as a member of parliament, and to the community that drug availability is increasing and that these ferals who peddle drugs are getting away with it. Personally, I would like to see some aspects of sharia law brought in: chopping a few hands off. Through you, minister, and the commissioner may want to answer it, but I would like to know how the acting commissioner views this.

**The Hon. K.O. FOLEY:** I am sure that the commissioner would view it very seriously, that goes without saying. I know you are not saying that, and I am happy for the commissioner to speak, but I have a few words on that. Both as a parent and as a police minister, drugs in our society are a terrible scourge and there is no question that it reminds me that, for all the work and effort you do in one area of drugs, you see another substance arrive into the so-called market.

Methamphetamines, the tablets, I guess, are the most insidious of the lot because they are so easily taken. I guess kids say, 'Well, I don't spend all night drinking beer; I just pop a pill and it's an easier way to get a high,' but of course these things are made in backyards with no quality control. Kids have died from them and of course any drug has the potential and often does lead to uses of more potent and deadlier drugs. This parliament passes a lot of laws. The courts, it would be fair to say in my observation, do not enforce the full range of penalties that the parliament provides a court with. It would be nice if, at times, the parliament's wish in terms of legislative penalties were more reflected in outcomes in the courts.

The efforts we are taking to deal with outlaw motorcycle gangs is very much centred on trying to attack the problem at the source. It is public knowledge that a large proportion of our drug trade in this state is pushed and peddled and manufactured by outlaw motorcycle gangs, so I would look forward to the opposition supporting the government in this place to improve our bikie laws that we have to bring back as a result of High Court successful challenges to make sure that we can continue to put maximum pressure on the bikies to the point of forcing them into dissolving their organisations. I will ask the assistant commissioner if he would like to add anything.

**Mr BURNS:** SAPOL takes drugs very seriously. In fact, drugs are a major driver, if not the most significant driver, of volume crime. To feed habits, people break into houses and steal cars, etc. We come at it from a number of angles. You have your local service areas. You would have seen the other day that a significant drug arrest was brought about by a traffic stop, and that has happened quite a number of times, so we focused on—

**Mr PENGILLY:** 72 kilos.

**Mr BURNS:** That's right. A number of those large-sized pinches have come about through police doing traffic stops, so we have made sure that the general duties police are aware of that. In the local service areas, they are also supported by Operation Mantle teams and there are about six to eight uniform and detectives in those teams and they look at low-level to medium-level drug dealers. If you get the users, you would be able to work up to the suppliers. They are in the metropolitan local service areas but each one of those is available to some of the country local service areas in support of their operations. For instance, Elizabeth helps Port Augusta. Then you have your state area which is the Drug Investigations Branch looking at higher-level drug dealing, etc.

That is a brief summary of the operational side, the enforcement side, but we also have the crime prevention areas and the drug action teams sergeants. The drug action teams liaise with a whole range of youth and other services, and their predominant task is to reduce the use of drugs, explain the harm that drugs cause and ultimately are an education-type group, notwithstanding that we are involved with a whole range of other government agencies and non-agencies in terms of the health aspects of drugs.

**The Hon. K.O. FOLEY:** Can I just also add, if you do not mind, Madam Chair, and not everyone will necessarily agree with this, and most often people do not agree with what I say—look at that: I knew that would happen.

**The CHAIR:** What?

**The Hon. K.O. FOLEY:** The cameras wind up immediately. Two things happen when I say something like that: the cameras light up and my staff shit themselves.

**The CHAIR:** Yes, they are right behind you looking slightly ill.

**The Hon. K.O. FOLEY:** A lot of this also comes back to parental responsibility. I do not think we can ever escape the fact that, as parents, we have a responsibility to ensure that we do all we can to dissuade, educate, put the fear of God into our kids sometimes, that drugs are not for them. That said, of course, even given the most significant parental involvement with children, kids will dabble, and the best parents in the world cannot necessarily stop it.

However, I think in society today we have to remember that governments or police are not in themselves responsible for civil behaviour: that is an individual's responsibility. We cannot and should not put all the pressure or all the expectation on our police or even lawmakers in parliament to stop the scourge of drugs. It is like a lot of things in society. If parents put more diligence and more effort and more care, in many cases, into raising their children, there would not be necessarily the same number of societal problems. That is just a bit of philosophical ranting.

**Mr PENGILLY:** The omnibus questions are:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2010-11 for all departments and agencies reporting to the minister—listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

2. For each department or agency reporting to the minister how many surplus employees were there as at 30 June 2011, and for each surplus employee what is the title or classification of the employee and the Total Employment Cost (TEC) of the employee?

3. In financial year 2009-10 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2010-11, and how much was approved by cabinet?

4. Between 30 June 2010 and 30 June 2011, will the minister list the job title and total employment cost of each person (with a total estimated cost of \$100,000 or more)—

(a) which has been abolished; and

(b) which has been created?

5. For the year 2010-11, will the minister provide a breakdown of expenditure on all grants administered by the departments and agencies reporting to the minister—listing the name of the grant recipient, the amount of the grant and the purpose of the grants, and whether the grant was subject to a grant agreement as required by Treasurer's Instruction No. 15?

6. For all capital works projects listed in Budget Paper 5 that are the responsibility of the minister, will the minister list the total amounts spent to date on each project?

7. For each department or agency reporting to the minister, how many Targeted Voluntary Separation Packages (TVSPs) will be offered for the financial years 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15?

*[Sitting suspended from 12:04 to 13:10]*

**DEFENCE SA, \$36,205,000**

**Membership:**

Mr Hamilton-Smith substituted for Mr Goldsworthy.

**Witness:**

Hon. K.O. Foley, Minister for Defence Industries, Minister for Police, Minister for Emergency Services, Minister for Motor Sport, Minister Assisting the Premier with the Olympic Dam Expansion Project.

**Departmental Advisers:**

Mr A. Fletcher, Chief Executive, Defence SA.

Ms K. McGloin, General Manager, Corporate Affairs and Government Relations, Defence SA.

Mr T. Brumfield, General Manager, Corporate Services, Defence SA.

Ms M. Curtis, Manager, Ministerial Support, Defence SA.

**The CHAIR:** Good afternoon. Obviously, this morning I gave the run-through about the estimates committee being relatively informal, etc. I do not think I need to repeat that again. I would just say, for any new advisers who are here, that questions must be to and, indeed, through the minister, not directly to advisers; that is quite important. Minister, do you have an opening statement?

**The Hon. K.O. FOLEY:** I do not, ma'am.

**The CHAIR:** Do you have an opening statement, member for Waite?

**Mr HAMILTON-SMITH:** No, I do not.

**The CHAIR:** Let's go to the questions then.

**Mr HAMILTON-SMITH:** I will start with the air warfare destroyer, if I may, minister. The only remark I would make is that this is an area that generally enjoys bipartisan support, and I just want to commend the government—

**The Hon. K.O. FOLEY:** Thank you.

**Mr HAMILTON-SMITH:** —for the way it has built on the good work of the former government in keeping things moving forward, and has actually added value, considerable value, to things. But on the air warfare destroyer—Budget Paper 4, Volume 1, pages 147, 150, and 156, which all mention it—and the blocks that are now being fabricated by Forgacs in Newcastle in New South Wales, and by BAE Systems in Williamstown, Victoria, my question is: could you just update the committee on the new arrangements, given the problems that have been encountered in Victoria? How many blocks will now be built by Forgacs, how many by BAE in Melbourne, and how many will be shifting to Adelaide and how many to Navantia in Spain?

**The Hon. K.O. FOLEY:** I will ask Andrew Fletcher to give a comment on that. Clearly, we are the beneficiaries of some changed arrangements with block build. Victoria, with the Williamstown facility at BAE, is heavily committed to the two supergiant LHEs that we are purchasing and building here in Australia—although the basic hull is being built in Spain—that is required for project certainty and consistency to see some of those blocks moved to South Australia, to Forgacs, and some indeed to Spain. But I will ask Andrew to comment.

**Mr FLETCHER:** Certainly, minister. The relocation allowance by the federal minister included 13 blocks from the first two ships. It is worth bearing in mind there are 33 blocks per ship. As has been stated, they were spread between Forgacs, Williamstown BAE, and the ASC at Techport in Adelaide. The 13 that are relocated only come from ships 1 and 2. So, the reallocation, if there is any, for ship 3, has yet to be decided. Of the 13, seven will come to ASC, partly built, for what we call PO2—phase 2 fit-out—which is all the more complex stuff in the steel blocks. There are five going to Spain and an additional number going to Newcastle. As I said, the decision on the last ship is yet to be made.

**Mr HAMILTON-SMITH:** Are you able to update the committee on what effect this delay or this problem will now have on the project time frame and also on the project cost?

**The Hon. K.O. FOLEY:** I am advised that the project has been extended for a year. If anything, that is probably a bonus for our state because it extends the build program and smooths the work packages out so it is a smoother process. We should always remember that, of course, this is a project of quite significant complexity. I have been very impressed with the quality of the work. I have visited Forgacs. I have obviously visited ASC and other facilities.

This is not just a case of a simple steel block. The detail of the pipework and the wiring that goes inside these blocks reminds me of that screensaver that comes up with tubes going in, out and everywhere. The amount of complexity involved in these projects is just mind-boggling. Barring one or two slight hitches, it is going very, very well.

**Mr HAMILTON-SMITH:** On what date then, will we see the first ship launched, based on the new time frame?

**The Hon. K.O. FOLEY:** I guess a year later than we had assumed—2014-15.

**Mr HAMILTON-SMITH:** Have we got a month or is there an exact date?

**The Hon. K.O. FOLEY:** No.

**Mr HAMILTON-SMITH:** It is only a one-year window?

**The Hon. K.O. FOLEY:** Let us always remember, this is a commonwealth program, of which the state is a partner, obviously—a significant partner. Questions about timetables of delivery, etc., are better put through the federal parliament and the federal government.

**Mr HAMILTON-SMITH:** Okay. I refer to Budget Paper 4, Volume 1, same page numbers. Given these changed arrangements, could you update the committee on the breakup of the \$8 billion that is being spent on this project, in terms of how much is being spent in South Australia? You have given advice earlier to the committee. I am really looking for an update. How much in South Australia, how much in the other states and how much overseas?

**The Hon. K.O. FOLEY:** Given that, at this point, we do not have the specific details on the additional work we will receive, in terms of the modules, more than half of the \$8 billion budget for the project, we are advised, will be spent—sorry, wind back.

There is an Australian industry involvement target of some 50 per cent. We are advised that the initial indicators are that that designated number will be met—more than half of its \$8 billion budget in Australia. The alliance advises that the AWD project will spend about \$2.3 billion here in South Australia—by far the largest component of it.

When we think about what else goes into these ships, a substantial cost to the project, of course, is the weapon system—the Aegis Combat System—gas turbines, propulsion systems and combat systems such as the five-inch gun, missile launchers and missiles. These critical elements of the ship, obviously, are manufactured elsewhere.

Recent economic impact analysis estimates that over peak years—that is, 2009-10 to 2012-13—the AWD project will make an average annual contribution of some \$292 million to South Australia and nearly 1,800 jobs in our economy, both direct and indirect. I am advised that there are at least 800 people currently working on the AWD project here in South Australia.

**Mr HAMILTON-SMITH:** Was there an earlier figure that you gave to parliament of \$1.2 billion over 10 years?

**The Hon. K.O. FOLEY:** I cannot recall. Sorry, yes. February 2007 analysis estimated that the project will inject an estimated \$1.4 billion into the state's economy over 10 years and create more than 1,000 direct jobs and a further 2,000 indirect jobs. Obviously, that has been updated in terms of the amount of work now coming in.

**Mr HAMILTON-SMITH:** I will slip to submarines for a moment. Could you advise the committee of the current status of the C1000 project to build 12 submarines, and when, based on present time lines, the government expects to see a preferred submarine type selected and the first vessel launched?

**The Hon. K.O. FOLEY:** I will start by saying that I will ask Andrew to add a few points to it but, again, I point out that this is a commonwealth government procurement and it is really the province of the federal government to give detailed answers on these questions. However, purely from a parochial or South Australian point of view, it should be noted that this week the federal Minister for Defence publicly again—as did Jason Clare, the Minister for Defence Materiel—reconfirmed the intention to build or assemble here in Adelaide. I understand Rowan Moffitt, who is head of the new submarine project, also reconfirmed that that work will be done here.

As to where we are at, it is an incredibly challenging exercise for the federal government. As Jason Clare himself said this week, this will certainly be the largest defence project the nation has ever entered into, and arguably the most significant and largest project, be it public or private, ever undertaken in Australia. We are talking figures, loosely, of a build program of \$30 billion, with through-life support of another \$30 billion or \$40 billion. So, we are talking \$60 billion, \$70 billion over a 30 or 40-year period.

The problem we have is this: firstly, there are some—and hopefully we will win and continue to dominate this debate in a bipartisan manner; that is that an off-the-shelf solution does not work for Australia; that is simply buying a submarine from another country. Firstly, the federal government, our government—and I have not heard any different from the federal Liberals—rule out the idea of a nuclear submarine. Even if one wanted to, we do not have the nuclear support infrastructure. We do not have the nuclear industry here, so we would be pressed to sustain a nuclear submarine with our lack of nuclear infrastructure.

We then look at what boats are around to deal with our strategic needs. The Collins class boat has been very good for us, but most of the submarines in the world are designed for more littoral waters: the Mediterranean or the North Atlantic in case of most of the European builders. These are smaller subs designed to travel shorter distances and to have less capability.

What we need is a boat that can go very long distances—very long distances—to protect our sea lanes. We need it to be very heavily armed; that is, to have Tomahawk missile capability, or a similar type of missile. It would also need to be able to have a lot more listening equipment, communication devices, surveillance and various electronic warfare components. So, these need to be big boats. They will have to be bigger than Collins. They will not be as big as a European or an American nuclear, obviously, but there is nothing really around the world.

What you are then faced with is do you evolve the Collins? That is, do you simply take the Collins boat, in a sense, and enlarge it and modify the design so you have the son of Collins? Or do you go—which I think will be where the commonwealth will get to; just a personal opinion—for a purpose-designed ship, with all of the inherent risks of designing a first of class boat—I acknowledge that. There will be many detractors and people who will argue that that is a risk we should not take. Personally, I cannot see any other option if we are going to get value for money and to meet the strategic needs of our nation.

We need a strike component and we need a force projection which a smaller submarine simply would not give us. We are an island nation. The world is going to become increasingly volatile, particularly in our region, and we need to maintain both the technological edge and the defensive and offensive edge that we have maintained in the Pacific for these times. We are probably still 12 months away from starting to see some of these ideas form a serious policy position.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 4, Volume 1, page 145. Could you start by telling us when you think the Collins will be decommissioned? When will the Collins go out of life? I would like to get back to my earlier question of when the new submarine is likely to be launched because I am focused on a potential gap between the end of the Collins submarine work for our own workforce and our own industry and the beginning of the new submarine. Is there going to be a gap or do you think one will roll on from the other?

**The Hon. K.O. FOLEY:** There are two answers I would like to give. It is a good question but, again, these are questions for the federal government to answer. My expectation would be that the Collins' life will be extended to the point where a new boat enters service. I would be surprised if the commonwealth government would allow us to have a capability gap between the two projects.

My guess would be, member for Waite, that you would see an extension of the life of Collins to sustain a force capability.

The second part of the question, in terms of the workforce, is very pertinent. One of the great challenges we have at Techport, as great a facility as it is, is that in a tight labour market—assume, for the next 20, 30 years with the mining boom nationally—defence is starting to quickly realise that it has to keep the skills and the workforce fully engaged. I do not think it would be unreasonable to suggest that some of the problems we may be experiencing with the construction of the modules could be that some of the shipbuilding skills that the nation had before we have lost because we just have not had ships to build.

Certainly, once the Collins was built, the workforce, I guess, went into the oil and gas industry and the steel fabrication industry; the techos, the engineers and the various computer people have gone off doing their thing. I think the commonwealth is very acutely aware of that. Again, this is only an opinion, I would put it as no more than that. Also stated in the white paper is that the commonwealth government will be replacing the Anzac class ship with what I understand will be equivalent to a corvette, so smaller than an AWD, obviously.

That project has a similar time line to the original time line of the submarine replacement, so we may see some other work coming to South Australia. The important point here is that what we have established here in South Australia is the most significant construction, consolidation and systems integration naval facility, arguably, anywhere in the world. I make that statement because Andrew Fletcher and I visited the Deputy Commander of the Pacific fleet—very impressed and only wished they had similar sorts of facilities as Techport in the United States. I personally visited the commanding officer for what is called WESTPAC, the Western Pacific fleet based in Singapore. They were very impressed with what we had. Ian, in fact, dispatched one of his senior officers only a couple of months ago to come down and have a look at what we have got here in South Australia.

Ultimately, I think, it will be a no-brainer that commonwealth ship consolidation and systems integration will occur at Techport. Modules seem to be the way of the future, so you may well see modules for a Corvette built in the west, or a module built in Victoria or New South Wales, but the consolidation point will be here in South Australia.

I think that, with Raytheon and Lockheed and the significantly growing number of subcontractors now basing themselves down at Techport, and the quality and the critical mass of what we will have there will be a natural magnet for ship construction. That is a longwinded answer. I cannot be any more specific than to say that we as a government have certainly done all we can do to create the environment, the infrastructure and the persuasive argument that they will need to smooth the work flow out to make sure that they retain the skills because it is such an outstanding asset.

**Mr HAMILTON-SMITH:** Are you able to give the committee—just getting back to my question—any information at all about the dates?

**The Hon. K.O. FOLEY:** No.

**Mr HAMILTON-SMITH:** Do you not know when the Collins class is due to—

**The Hon. K.O. FOLEY:** No. Martin, they are commonwealth government matters. The commonwealth has not released those dates to us. They are still working those through.

**Mr HAMILTON-SMITH:** Okay. That sort of leads to my next point, and it is under this same budget line, because I see that a target is to pursue the opportunities of the new submarine. You have mentioned about off-the-shelf versus build our own and the relative benefits for the state. You have also mentioned uncertainty about whether there will be a gap between the Collins and the new sub, and that we risk losing our workforce and having a stop-start again approach to a run of ships.

Shouldn't the state government really seek to make a stand on these two issues, because we have so much to win or lose? You have said a couple of times, 'Well, they're decisions for Canberra: they're not decisions for us', and I respect that, that is true. But shouldn't the states start to stand up and say, 'Well, look, we want to know. We want a say in whether it will be built here or bought off the shelf because that will affect jobs and investment in our state.'

And shouldn't we also be insisting that we get an assurance from the commonwealth that there will not be a five-year gap between the time we decommission the Collins and start building the new sub so that we do not sack the workforce, have them all disappear and then try to restart

the whole thing and repeat the same mistakes? How do we do that? How do we elbow our way into the decision-making process?

**The Hon. K.O. FOLEY:** I think that it is a degree of naivety to suggest that we could somehow insist that the commonwealth do this, that or whatever when it comes to defence procurement.

**Mr HAMILTON-SMITH:** I am not suggesting that you insist on anything. I am just saying: how do get purchase; how do you get some involvement in the decision?

**The Hon. K.O. FOLEY:** What we are doing is that we are doing that every day. This is not an exercise for a public forum or for an aggressive position or even an assertive position publicly. Andrew Fletcher, in particular, but his senior staff and myself included on a weekly basis—if not daily—work with the commonwealth on these very issues.

Our Defence Advisory Board has commissioned various papers that quite succinctly and with serious credibility argue the various things that you have just mentioned. We provide them to Canberra both at the political and at the senior bureaucratic level. Andrew meets regularly with Steve Gumley, the head of DMO. We meet as well as often as we can with the federal ministers involved, and we commission work.

It was not an accident, suffice to say, that there was an article appearing in *The Australian* by former general Peter Cosgrove only two days ago. That was not an accident. I do not want to say any more than that. We are constantly ensuring that we put out a very strong message, and there are other things I am happy to brief the shadow minister on privately that I do not want to make public. But we are plugged into every possible contact, resource or decision-maker on these projects; and, as part of our normal day-to-day work pattern, we are in these people's ear all the time, and they listen to us sometimes.

**Mr HAMILTON-SMITH:** When we built the Snowy Mountains scheme, I think it was around \$8 billion and it was a nation-building investment. We regularly take to COAG multibillion-dollar investments that affect all of the states and have them dealt with in a national forum where policies are agreed between the states and the commonwealth. As has been pointed out, we are going to spend a quarter of a trillion dollars on naval ships over the next 30 years as per Defence SA's paper. This is a phenomenal investment—a quarter of trillion dollars over 30 years.

Would it not be the right thing—and I am really asking whether the state government of South Australia could take the lead on this—if those states with a stake in shipbuilding (us, Victoria, New South Wales and WA and no doubt the others) were to go to COAG and agree on a national strategy for naval shipbuilding? We could take the lead on this, so that we do not get this program by program rollout of ships where we do a run of ships then close the factory, dismiss the workforce and start again, and we get this continuity of deal flow that industry keep saying it needs.

What about the state government suggesting that naval shipbuilding be addressed at COAG and there being some involvement of the states? We have the workforce and the infrastructure. You have spent a lot of money on it. Do we not want to protect it by getting involved in the decisions?

**The Hon. K.O. FOLEY:** I can understand what the shadow minister is trying to get at, but I certainly would not agree with him that COAG should be the forum. We have very successfully positioned ourselves, so that we not only have 25 per cent of the nation's industrial capacity for defence—it is growing. The Premier and I (in, I think, a masterful stroke, if I can be so bold) were able to convince the then leader of the opposition and subsequently the federal government and prime minister at the time that Adelaide should be the home of the construction for the submarines.

It would be fair to say that that decision was not received with such positive fanfare in Victoria, WA or New South Wales as it was here. My fear of taking something like this to COAG is that they might argue that we should perhaps rationalise, share more of the work. The truth of the matter is that our state is getting nearly four times our population share of the defence work coming out of Canberra. Any attempt to try to have a national approach to shipbuilding may well see that quantum reduce, so I do not agree with COAG being the right forum there.

However, getting back to this issue about deal flow and sustainability, I actually think for the first time in the last few months I have really started to feel that the federal government is getting that, the DMO is getting it, the Department of Defence is getting it and even the ministers are getting it. They have a lot more structures in place today, following the white paper of 12 or 18 months ago and the capability plan that is coming out, about the need to sustain the workforce.

I think you will see a better flow of naval vessel construction work occurring to address that very point. I think the best thing we can do as a government—and this is what we are concentrating on—is to convince the federal government of the need to have a critical work path for all projects really but particularly for ships to maintain both the workforce capability and to be fair to the SMEs and even the prime contractors to keep their order books ticking along.

**Mr HAMILTON-SMITH:** We could probably spend the whole hour discussing the merits of this, but we might move on and perhaps come back to it later. Just getting back to the air warfare destroyer, Budget Paper 4, Volume 1, pages 147 and 156, is it now too late for a fourth air warfare destroyer? Is that really something we can put to rest today?

**The Hon. K.O. FOLEY:** Certainly the commonwealth has not ruled that out but, that said, there has been absolutely no indication that it is something that it is considering. It knows our views. We would love to have a fourth air warfare destroyer but that has to be an operational decision of the federal government. That is not something we can influence, as it is a matter of what is the right force structure and capability and strategic needs of the nation.

**Mr HAMILTON-SMITH:** Is it not, in practical terms, too late now for a fourth? Is it technically possible, given that, no doubt, orders have been made for the whole run? Is it now too late for a fourth?

**The Hon. K.O. FOLEY:** No, I would not have thought so. There might have been a period where you might have been able to sharpen the pencil a bit on a fourth ship, but we are going to have the capability. I am sure that Raytheon and Lockheed would salivate at the opportunity of another Aegis combat system order. No, it is not too late, but that is a matter for the national government.

**Mr HAMILTON-SMITH:** Budget Paper 4, Volume 1, pages 147, 150 and 156. The recent federal budget included, I think, about \$4.3 billion worth of cuts in one form or another. Going to the detail of some of those cuts, and I am looking at a DIAR.com website that gave a bit of a breakdown, there was \$55 million removed from the SEA 4000 air warfare destroyer project. Could you explain to the committee what the real impact has been of that \$55 million cutback to the AWD?

**The Hon. K.O. FOLEY:** We are not aware of any cutbacks on AWD at all. This point was made by the secretary of the defence department, Ian Watt, just two days ago, I think. As Andrew has just reminded me, the cuts have been announced by the federal government, they have quarantined force capability and procurement. So, major procurement items for the nation and our capability in terms of force structure and size are quarantined. These cuts are largely coming from the white collar workforce in defence (Canberra-based) and other efficiencies in terms of administrative and functions within the military that do not affect either force capability or foresight. We have not seen any negative effect of that in our state.

**Mr HAMILTON-SMITH:** There was also a figure of \$178 million—and these were underspends, I think—on 25 projects. I wonder if you can tell the committee whether any of those 25 projects have affected South Australian-based companies? Are there any underspends or contracts that have not been written or that have been delayed resulting in consequences for those companies?

**The Hon. K.O. FOLEY:** There was a \$130 million underspend, I think, last financial year for the AWD, but that is a matter of timing. In an \$8 billion project it is not unusual that there will be timing slippages or differences. Most of the major projects that are delayed are internationally procured lumpy items, big items: Air 9000 Phase 2 to multi-role helicopter acquisitions, which has just been let, I think that is the Sikorsky Lockheed Romeo helicopter that has just been awarded—late, but it has been awarded—and the air-to-air refuellers, which I assume was Boeing, or was it Airbus, I am not sure, but I think that is now in the process of being let.

Ian Watt, the minister and others have said publicly over the last couple of days that the situation with large defence procurements, in their delays and cost overruns, is unacceptable. It is a matter for DMO, for the primes and, to a lesser extent, the sub-primes, to ensure that we deliver projects closer to the budget that they are provided with and to the time schedule that they are expected to arrive at. With Wedgetail and some of these projects there is something like a two, three, four-year delay.

**Mr HAMILTON-SMITH:** Budget Paper 4, Volume 1, pages 147 and 150. There has been some discussion today about the Bianco Group of companies having bid unsuccessfully for work

as part of the AWD. Could you tell the committee what part of the project, if any, Bianco was involved in bidding for and with what consortia?

**The Hon. K.O. FOLEY:** I did not hear ABC radio this morning when Nick Bianco was interviewed, but I did hear the breakfast duo when they spoke to the Treasurer. In their normal sarcastic and cynical way they were effectively saying—and I know you would not be saying this—that Bianco failed because the mining boom or the defence boom has not materialised.

Nick Bianco is a lovely bloke. I used to do business with his company way back when I was in the steel industry. Nick has built an outstanding business, but Nick Bianco took a commercial risk. Nick Bianco decided, as did a number of other people, I might add, to gear up for possible work that may come from the air warfare destroyer program and the mining sector. We have seen companies like E&A Stephen Young, known to many, set up a conglomerate of local fabricators and engineering firms primarily to have a coordinated and consolidated commercial vehicle to win work from the air warfare destroyer. That is the way he did it. He got a conglomerate of existing companies, rolled them into one company, in effect, and has started bidding.

There are people like Michael Samaras, whom I know very well, who had one of the state's leading structural fabricators. He had progressively, over time, as he was winning more and more work in Western Australia, as well as local work here, geared his facility with the quality of his production for structural steel projects, heavily re-equipped, but he did so on the back of profitable business elsewhere.

Nick Bianco, from my understanding—and I was there on the day of the opening—took, even in his own words, a gamble. That was, that if he established this facility and invested in this equipment, he would be in a great place to win this contract, but, as all of us know, that is a commercial risk. Nick bid for block work and was unsuccessful. Why? Obviously it was more expensive. I do not know what he spent on the re-equipment of his place, but I guess it was in the \$40 plus million mark, \$50 million, that is a big overhead. If you are borrowing \$50 million to build a facility or, whatever his borrowings may have been, that is a big overhead when you are competing with workshops where their capital infrastructure would already be a sunk investment. The margins are not huge.

These are good projects for the companies that win them, but there is enough competitive tension that these are not high margin contracts. These are good margin work, but if you are carrying a debt of somewhere in the order of \$40 million or \$50 million you have to have a lot of profitability to both service your overheads and then make a profit. My guess, with Nick, is that he was not competitive and the volume of work and/or the timing of the work packages that are coming up saw him not able to utilise his facility.

Olympic Dam will go ahead. It is going to go ahead. We would have hoped to have been a couple of years earlier down the track by now, but these are commercial risks, and Nick Bianco took a commercial risk and has failed. Stephen Young and his group are winning work packages. There are many fabricators in South Australia earning and winning work packages because they are competitive. It would not be possible and it would not have been appropriate for the government to have intervened and tried to somehow get the work for Nick if he was not competitive.

In terms of some of the companies that are getting work, Ferrocut, a plate steel cutting business is now collocated at Techport OneSteel Whyalla is supplying the steel, Ottaway Engineering (part of the E&A group) is fabricating pipes, Williams Laser Cutting is doing the air conditioning ducting, Thermal Ceramics are working on passive fire and acoustic protection, and Century Products are doing the internal fittings. My guess is that, with new modules, there will be quite a bit more work fanned out to South Australian businesses.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 4, Volume 1, page 145. Could you update the committee on the status of the Land 121 program, and the possibilities, risks and opportunities for South Australia flowing from Land 121?

**The Hon. K.O. FOLEY:** There are a couple of elements to that. This was the product of a recent trip I took to the United States earlier in the year, where I met with each and every one of these contractors. There are two phases of the Land 121 that interest us: the first phase is Land 121, Phase 3. This is for the big trucks (as big as semitrailers) and other large vehicles.

These vehicles will come in from another country—they will be American or European—but there are some good work packages that we would like to get our teeth into. Some of the stuff that

goes on these trucks (such as the trays, modules, containers and the various add-ons) will go on in Australia.

Last week, we had the Defence and Industry conference here. Andrew, myself and his officers have been talking to a number of people about phases 3 and 4 of Land 121. A number of companies, such as Horwood Bagshaw, Century Products and Stoodley Trailers, will be able to bid. These various contractors are the types of companies that could—if we play our cards right as a state government and things fall the way that we need them to fall—stand to get quite a bit of work out of phase 3—quite a lot, I might add; many, many tens of millions, so it will be a good hunk of work.

Phase 4 is the larger of the two, and that covers the replacement vehicles, and it is a very complicated arrangement. I do not need to bore the committee but, as always, the member can be fully briefed on this and, given his background, I think he might have a particular interest in it. But we, as a national government, are contributing to a fund in the United States for the development of the replacement of the humvee in America—the joint light tactical vehicle (JLTV). We have put \$60 million in, I think, as a government.

It has just gone through the first phase, and it is going out now to probably four bidders. We as a national government are looking at putting some contributions—and have put contributions—into the design of that vehicle, with a view to actually piggybacking onto that contract. What occurred then was—and I can understand why—local industry said, 'Hang on a minute, why are we piggybacking onto a US procurement? We should be able to build vehicles here in Australia.'

Simultaneously—or not quite so simultaneously—the federal government also put out to bid for a general tender call for the provision of our requirements for armoured light tactical vehicles in Australia—building and sustainment. So, it really is a bit of an unknown whether the federal government will go with the JLTV, or whether, as we hope will occur, they will down select and award the contract to an entity to build these in Australia. This is about a \$2.5 billion program and, as you know, we have been working very hard with Force Protection, with Thales—although that is difficult, given that they have operations in Bendigo—with General Dynamics, who have a vehicle, BAE have a vehicle, and there are just the three in the MSA. Sorry, BAE are in the JLTV. It is very complicated.

What we have done to secure the work here, firstly, is that we have worked damn hard to be close to all the decision-makers and have all bases covered. We have indicated—and my northern members here would be excited by this, of course—that we are prepared to put capital money into a joint common user facility, the model that we use down at Techport, probably around the area at Edinburgh Parks, for the assembly and through-life support for these vehicles.

So, if a company gets this project and, again, the cards fall the right way and the majority of the work will be done here, a reasonable component of it will come in from overseas, but it will be assembled at one central location. Importantly, as we are now learning, the better slice of the work is actually the through life-support because it goes for longer, it is much more even and it is a sustainable piece of work. So, if we are able to be successful, we are wanting to be the Australian location for the assembly and through-life support for a large proportion of the nation's land vehicles in its army, which will again further increase our share of national defence business.

**Mr HAMILTON-SMITH:** Has General Dynamics expressed concerns to anyone in state government or, to your knowledge, in federal government about its ongoing sustainability and presence in SA?

**The Hon. K.O. FOLEY:** Yes, they have. I guess, there is a juggling act for the commonwealth. It is easy for us to be critical of the commonwealth, but they are not a make-work entity. The commonwealth have become more sensitive and more—poor grammar—ready, but they are prepared to work with SMEs and with prime contractors to smooth out workflow so that they do have the sustainable workflow situation.

In the General Dynamics case, of course, we won the turrets for the ASLAVs here in South Australia, but then that work was, for commercial reasons, taken back to Canada. There have been some issues with the commonwealth government that we are working through with General Dynamics. That is a role that Andrew and his team play very well—under the radar, working with the commonwealth to see if we cannot get a bit of workflow to make sure they do not have a production gap that will cause a loss of jobs.

**Mr HAMILTON-SMITH:** Has that representation involved a senior international representative of General Dynamics? What concerns have they raised about their ongoing presence in SA and what reasons have they given for that uncertainty?

**The Hon. K.O. FOLEY:** I have got to be very careful of what I say here publicly, Martin, because this is some commercially sensitive information and, I have to be honest, probably militarily sensitive information. I am happy to talk you privately about that.

We have had international representation. On any given week, I reckon we have somebody in from Lockheed, General Dynamics, Northrop Grumman—somebody senior from some new division of one of those conglomerates I have never heard of before. Certainly, General Dynamics have expressed some concern and asked us where we can assist them in just ensuring they have a continuation of some workflow. There is a bit of a gap coming up in their production, but the reason for that gap is beyond our control; it is beyond their control; it is to do with the commonwealth government and its relationship with another contractor, for which GD subcontract to. I am happy to talk you privately about that.

**The CHAIR:** I just alert the committee to the time. It is 2 o'clock. Would you like to continue on this line of questioning or move to motor sports?

**Mr HAMILTON-SMITH:** Can we have another 10 minutes of this and cut short motor sport if need be?

**The CHAIR:** Sure.

**Mr HAMILTON-SMITH:** How many jobs and what investment is at risk if General Dynamics were to close their operation in South Australia? Are you able to say?

**The Hon. K.O. FOLEY:** That is sensitive information, but I am not aware of a suggestion that they are going to close. In fact, they are a very aggressive bidder for Land 121, phase 4, as well as other work. They just have a gap that we are trying to ensure we can fill.

**Mr HAMILTON-SMITH:** Is that because Land 121 or other work programs have been postponed or have slipped and that has created the gap?

**The Hon. K.O. FOLEY:** I think that is a feature of defence procurement, that things tend to slide to the left; that is, to be delayed more so than come forward. Or is it to the right? To the right is when it slips, to the left is when it comes closer. But that is the nature of the business these people operate in. General Dynamics is one of the largest global defence companies. They probably get a big more even workflow in the United States where I think General Dynamics, along with Lockheed, have a facility in every single state in America, and the American government keeps pouring out consistent workflows.

In Australia, with a limited budget and with a more targeted capability requirement, it is very hard for the national government to continually provide work packages on time and in sufficient quantity to give defence contractors the smooth run they would like. I do not envisage any problem with General Dynamics significantly, other than this is one of the hiccups that is a reality of defence procurement.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 4, Volume 1, Page 144. Has the government been involved in a grant or some gifting of funding to BAE for a particular piece of equipment or infrastructure?

**The Hon. K.O. FOLEY:** Yes.

**Mr HAMILTON-SMITH:** Are you be able to tell the committee about that?

**The Hon. K.O. FOLEY:** No.

**Mr HAMILTON-SMITH:** Why is that?

**The Hon. K.O. FOLEY:** Because it is commercial-in-confidence at this stage. We are always talking to the primes, and we are very lucky to have in South Australia the headquarters of BAE. They are the largest foreign defence company in the United States, and I guess they are probably pretty close to the biggest in Australia. We all know the larrikin who is Jim McDowell. We have been talking to them about a number of issues. In particular, all I am prepared to say is that there is an opportunity—whether we can do it or not we are not sure. We have not paid any money and we have not given any money, but there might be an opportunity with the joint strike fighter to get a bit more work.

**Mr HAMILTON-SMITH:** Is the amount of money involved in the order of \$20 million?

**The Hon. K.O. FOLEY:** No. Well, when I say no—

**Mr HAMILTON-SMITH:** It is a significant amount.

**The Hon. K.O. FOLEY:** That sounds a large number to me, a very large number, so I do not think we should get too excited about that number. Whatever it is we are discussing with them is not something that I am prepared to discuss publicly at this stage.

**Mr HAMILTON-SMITH:** Would that, in effect, take the form of an industry grant?

**The Hon. K.O. FOLEY:** Nothing has been decided and nothing has been concluded, to the best of my knowledge.

**Mr HAMILTON-SMITH:** No, but is that what is being examined?

**The Hon. K.O. FOLEY:** I cannot discuss in public what are some sensitive discussions and negotiations, but I have done a lot of work, as has the Premier, over the last few years, particularly with BAE. We are strong in maritime. We are strong and getting stronger in land. We have some really good capability in air, and the joint strike fighter—it is no secret—will be, for its day, the largest acquisition of the government. We also have a number of smaller SMEs currently doing some good subcontract work. However, there is an opportunity, we think, to attract some significant work on the joint strike fighter from another part of the globe that involves some complex discussions that will probably involve some financial support from the government, but the specifics and the details I would rather not disclose publicly.

**Mr HAMILTON-SMITH:** Fair enough. In the way that the government manages such grants or such matters, would it be your intention to take something like that to the Industries Development Committee, or the Economic and Finance Committee so that there can be some bipartisan—

**The Hon. K.O. FOLEY:** I see no problem in providing a briefing, whether it be to Economic and Finance, the IDC or privately with the opposition when we are in a position to do it, if we are in a position to do it.

**Mr HAMILTON-SMITH:** Because it has not met for six years. Are there any other grants that this portfolio may have made to industry that would not have come through the Industries Development Committee in this budget or the last?

**The Hon. K.O. FOLEY:** We do very little, Martin. There have been some assistance packages at the margin provided to assist some small SMEs, but nothing of significance. It depends what your definition of 'significance' is. We have provided some financial support to an SME. I am happy to provide you with a private briefing on that. I think it would be better done privately.

**Mr HAMILTON-SMITH:** I might take that up.

**The Hon. K.O. FOLEY:** I am not wanting to sound secretive (no doubt the News Corporation would see this as yet another sign of lacking transparency by government) but we are dealing in a very commercially competitive space here. I will give you a personal commitment: I am happy to provide you with all the information I have at appropriate times and, for that matter, the IDC. There is no reason for me not to do it. Certainly, in the one we are talking about that may involve BAE, we are nowhere near that stage.

**Mr HAMILTON-SMITH:** Just moving to the Cultana Range Complex.

**The Hon. K.O. FOLEY:** Have you trained there?

**Mr HAMILTON-SMITH:** Yes, I have, actually. Budget Paper 4, Volume 1, pages 146 and 148. How is that proceeding, in particular in regard to landholder approvals, and when are we going to see some results up there?

**The Hon. K.O. FOLEY:** That is a good question. It is a painful exercise; it is going too slow. It is not our baby, really, it is the federal government's negotiations with multiple landowners and traditional owners. I guess at present it is stuck. We don't have any dates as yet, Martin. The commonwealth government wants to expand Cultana. We have been involved in helping them facilitate that where possible. Negotiations with six pastoral leaseholders are underway regarding lease acquisition. We are finalising the terms of a miscellaneous lease for defence purposes, with

our government—the feds are. We are negotiating with the registered native title claimants regarding an Indigenous land use agreement.

The expansion is also subject to an assessment under the environment protection and biodiversity act 1989 (a commonwealth act so it needs a public environment report). Defence has started to commence work on the preparation of that report. There is access for fishermen, tourists; there is a road. Are we scaring any cute little birds or anything—no furry little animals?

**Mr HAMILTON-SMITH:** When do you guesstimate we will see the range purchased, expanded and sort of operating?

**The Hon. K.O. FOLEY:** I am advised that parliamentary secretary David Feeney has been given the job of speeding this thing up—good luck to him—but we don't have any dates, to be honest. It really is a complex set of negotiations and I think 'frustration' would be a kind word to say that the commonwealth themselves are experiencing. They may even have to go into some form of compulsory acquisition; I don't know.

**Mr HAMILTON-SMITH:** What about the opening up of Woomera for the joint use of both the military and mining?

**The Hon. K.O. FOLEY:** Yes. That has been one of the really great pieces of public policy that has been both initiated by Andrew Fletcher and his team and consummated all under the same watch. We had a lot of complaint from mining about their inability to access it. I think from memory Prominent Hill is just a little bit over the border into the weapons area. It is not unnatural and I don't think we can be critical of it, but the Air Force in particular, and the spooks and whoever else lives up there, did not want any encroachment so it was, 'Don't come near us.'

Andrew and his team convinced the federal government, as did the Premier with the then prime minister Kevin Rudd and Allan Hawke, a former secretary of defence, was given the job of negotiating with defence, mining companies, and the various representative bodies to come up with a plan. It was quite a simple plan in the end (it looked simple to me, it was probably very, very complex)—you just shifted the flight path a bit.

Through an agreed position between defence and the mining industry we have opened up—and I think that minister Koutsantonis, because it is not in his character to over-embellish things, said that this could be somewhere between the Kuwait of the—

**Mr HAMILTON-SMITH:** It all depends what he is talking about.

**Mr PENGILLY:** Can you elaborate?

**The Hon. K.O. FOLEY:** No. I think that Tom's words on this were that there were six or eight Olympic Dams up there, or something (I might be unfair on Tommy), but it is a substantial opening up of resources. I know that Tom has had a number of calls directly from major players in the mining industry who want to get their teeth into the opened-up area of Woomera. We have managed to open up a substantial slab of Woomera for mining which does not affect the operational and strategic and secret squirrel needs of the commonwealth government.

**The CHAIR:** Would members like to move onto motor sport, because we are sort of in motor sport's time now?

**The Hon. K.O. FOLEY:** We are here until three, so it depends how much you have got on motor sport. I sound like an expert on defence; I am not sure that I can do it on motor sports.

**Mr HAMILTON-SMITH:** In that case, we might move onto motor sports.

**The CHAIR:** There being no further questions, I declare the examination of the proposed payments completed.

*[Sitting suspended from 14:12 to 14:20]*

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,  
\$1,932,688,000**

**Witness:**

Hon. K.O. Foley, Minister for Defence Industries, Minister for Police, Minister for Emergency Services, Minister for Motor Sport, Minister Assisting the Premier with the Olympic Dam Expansion Project.

**Departmental Advisers:**

Mr M. Warren, Chief Executive Officer, Motor Sport Board.

Mr G. Staniforth, Finance Manager, Motor Sport Board.

**The CHAIR:** I declare the proposed payments open for examination and, minister, if you would care to introduce your advisers.

**The Hon. K.O. FOLEY:** We have with us—and he has been here before—Graham Staniforth, who is the Finance Manager, and if I can introduce Mark Warren, who is the new CEO of the Motor Sport Board who started with us last year and is doing an outstanding job in picking up the reins of the race, a very successful race this year. There are challenges going forward for motor sport. I think the biggest challenge that Mark faces, as the government faces, is to maintain the quality of the event and the public's interest in it, and probably to refresh and look at how we can build on what we have. You cannot stand still in motor sport and Mark has some exciting ideas. So a good injection of new blood should see us continue to build and expand and grow what is an outstanding event.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 4, Volume 4, page 157. Is the Motor Sport Board in effect now the Office of Motor Sport, for the Minister for Motor Sport, or have extra staff been hired and a separate office established for the office of the minister?

**The Hon. K.O. FOLEY:** No; I am just the Minister for Motor Sport by name. I do not have any specialist advisers. Nothing has changed.

**Mr HAMILTON-SMITH:** Has any additional budget funding been provided expressly for the Minister for Motor Sport?

**The Hon. K.O. FOLEY:** Not for me particularly, no.

**Mr HAMILTON-SMITH:** So nothing has changed other than the normal arrangements? There are no extra people, no extra budget line?

**The Hon. K.O. FOLEY:** No, not that I am aware of.

**Mr HAMILTON-SMITH:** Has the Motor Sport Board taken on any additional responsibilities other than the Clipsal 500 as a consequence of the change?

**The Hon. K.O. FOLEY:** Yes.

**Mr HAMILTON-SMITH:** What are they?

**The Hon. K.O. FOLEY:** The Solar Challenge, and there has been some work done by the Motor Sport Board from time to time with events like the Lobethal historic grand prix re-race, and we are looking from time to time at other opportunities for the Motor Sport Board to deploy their considerable experience.

**Mr HAMILTON-SMITH:** The government has made a decision to establish a Minister for Motor Sport and to take that on—and they have obviously searched far and wide and found the best man for the job.

**The Hon. K.O. FOLEY:** Me.

**Mr HAMILTON-SMITH:** I then ask why, for example, the classic Targa Adelaide event is remaining with Tourism because we then seem to have two ministers with a finger in the pie? Why not group all motor sport under one minister and have it centrally managed by the Motor Sport Board?

**The Hon. K.O. FOLEY:** I guess that is not a bad point. Why do we leave it with Tourism? Mark makes a good point that not all motor racing is equal. We specialise in street racing. The Targa event is a higher risk event than what we would normally manage and it was the view of the government—and I might add that our Motor Sport Board, both Mark and the board itself, has had significant input into these decisions. But it was felt that it best lay with Tourism, who I understand have contracted a major promoter, Oricon, to manage that event.

**Mr HAMILTON-SMITH:** Is the object of the government's budget expenditure on this area to promote tourism events and economic activity? If that is the object, why not concentrate it into one area?

**The Hon. K.O. FOLEY:** There is no right or wrong answer to that. Another government might have a different approach to it. I guess this event was seen more as an event for which the existing expertise base was within major events and tourism. It is a contractual arrangement, with Octagon to manage it. That is not to say that Mark and his team could not have done the job and maybe you could argue a case that they should, but I am quite comfortable with the way we have it.

**Mr HAMILTON-SMITH:** You mentioned the Lobethal historic grand prix re-enactment. I went to that a few years ago, and it was a very good event. The cost and calibre of some of the cars that had been entered was quite world-class. It has fallen into disrepair, if you like. I note that the event has not been held; I think it has been delayed. First, is that event now going to be a Minister for Motor Sport event managed by the Motor Sport Board, and does it have a future?

**The Hon. K.O. FOLEY:** I was involved at the time. A good friend of mine, I am happy to say, Tony Parkinson, was heavily involved in organising that. It was really a community, motor club, enthusiast-based production, of which tourism provided some money and we, as the Motor Sport Board, supplied some money. I had indicated to Tony at the time that maybe there was a greater role that we could play, but I have not heard anything from him for some time now. I am not aware of that event coming back. I think it was based on the enthusiasts who drove it at the time, excuse the pun, but they have not come back to us on that.

**Mr HAMILTON-SMITH:** So, it has no future at this stage?

**The Hon. K.O. FOLEY:** Not that I am aware of, but I could be wrong.

**Mr HAMILTON-SMITH:** Are there any new motor sport events in the offing, other than the ones presently on the calendar?

**The Hon. K.O. FOLEY:** We have no intentions or plans to have another race outside the Clipsal 500, but it would be fair to say, in alluding to my earlier comments, that we need to do things to enhance the product that we present for those four days of the year. So, we are always looking at other classes or additional product that we can put on over those four days, as well as concerts, and improving the concert quality. I know that you are a huge fan of the Doobie Brothers, but maybe we might look at upping the popularity—

**Mr HAMILTON-SMITH:** They were probably long before my time, actually, minister. Has the Premier or the minister, in preceding years, had meetings in London with the organisers of the Goodwood Revival event with a view to trying to attract that event to Adelaide?

**The Hon. K.O. FOLEY:** I have not. The Premier may have but I have not. Our Agent-General in London, Bill Muirhead, an outstanding representative for our government in the UK, believes that there is the potential for a Goodwood-style event in South Australia. He spoke to me about it on one of my recent trips to the UK. It is a huge event in England, they all dress up in period costume and all the old cars belt around, but what works in England does not necessarily work in Australia and we have not yet seen a model or proposal that would work in Adelaide. That is not to say that we are closed off to the idea, but we are not having any advanced discussions about it.

**Mr HAMILTON-SMITH:** So, the government is not pursuing that concept?

**The Hon. K.O. FOLEY:** We are not closed off to it, but we are not actively pursuing that. We are always open to suggestions. One thing that I can rule out is that we are not bidding for the Formula One Grand Prix.

**Mr HAMILTON-SMITH:** Budget Paper 4, Volume 4, page 160, just looking in a bit more detail at the books of account. What is the break-up of payments for services and supplies—I think it is \$24 million—in 2010-11?

**The Hon. K.O. FOLEY:** Do you mind if we come back to you with a detailed breakup of that?

**Mr HAMILTON-SMITH:** That's fine. You might be able to also come back to us with a breakup of goods and services of \$20.9 million in the same year.

**The Hon. K.O. FOLEY:** Sure.

**Mr HAMILTON-SMITH:** If you can answer this one, it would be helpful. I refer to page 157, grants, subsidies and transfers of \$5.9 million. That is the estimated result of \$5.9 million. I notice it is dropping to \$2.4 million. It seems to signal that there will be a significant decrease in grants and subsidies in the coming year, as distinct from the year past.

**The Hon. K.O. FOLEY:** The figure of \$5 million that you see there is a sum of \$1.7 million included in that to cover a shortfall in costs for the upgrade in facilities—shade and various other aspects to do with the newsstand, etc. That was spread over two years.

**Mr HAMILTON-SMITH:** It shows as transfers, I suppose.

**The Hon. K.O. FOLEY:** Yes.

**Mr HAMILTON-SMITH:** So the drop to \$2.4 million is just a reflection of that one-off expense, by and large?

**The Hon. K.O. FOLEY:** Yes, from what I am advised.

**Mr HAMILTON-SMITH:** I refer to page 159 to 161 generally and the Clipsal event as a whole. Do you have scope to close the gap between your revenues and expenses so as to further reduce the government subsidy of the event? Are you heading in the downward direction or the upward direction?

**The Hon. K.O. FOLEY:** I think it is in the upward direction, to be perfectly frank with you, for a couple of reasons. We have to pull the damn thing up and down every bloody year; so that is an additional cost, because it is more expensive than the previous one. In fairness, three things are impacting on us at present. One is that the event has grown every year, but it has tapered off in the last two years—we had peaked—and that is where I am learning that you have to keep improving or adding to the product offered to the consumer. It is not to say that a race becomes stale or a race starts to flatline, but we need to keep looking at ways in which we can improve the attractiveness of the event.

We see that happening up on the Gold Coast. They have done a number of things with bringing in some foreign drivers. We are seeing it in Victoria. They have done a number of things in Victoria to continue to refresh the Grand Prix. That is why we are looking at some options for the next couple of years. General consumer spending in the last two years since the GFC has been very tight. For the first time in probably 40 years the Australian consumer is saving; they are not spending. That is, they are net savers and they are not growing their debt on their credit cards. So, the discretionary dollar that the consumer has is less, it is tighter.

So, we are having to look at price points, a bit, for our tickets. Probably the biggest problem we have had is the decline in corporate sponsorship. It is a factor of GFC—it is fair to say we have lost a bit of revenue there—and it is the problem that the Crows and the Power face. We do not have the corporate wealth in South Australia that states such as WA, Victoria, New South Wales and Queensland do. We do not have the same head offices or the same indigenous entrepreneurs that, say, the mining states will have or the bank houses, with head offices in Melbourne.

We are all sort of chasing after the same pool of sponsors. An example of that was when the GFC hit and General Motors was in strife. General Motors and Ford, who used to, for many, many years have their own platform and buy a corporate package, have not done so for the last couple of years. And Holden are yet—we are still trying to get them back, but Holden do not take a General Motors Holden's corporate suite, and that is worth a few hundred thousand dollars to us.

The other point that Mark quite rightly makes is that, in the last couple of years, we have had cooler weather. So, the police are happy with cooler weather because there is less grog drunk, but less grog drunk means less revenue and profit to us. So, the cooler weather has had a bit of an impact on crowds and the consumption of food and alcohol at these events. That said, the numbers are still incredibly strong—very large—and we are moving into that mature phase of the business cycle where we have to just refresh a bit.

**Mr PENGILLY:** Chair, if I could ask a follow-up to that?

**The CHAIR:** Of course.

**Mr PENGILLY:** It is regarding the same page and everything. Minister, I do not want to see anything happen to Ford Australia, but rumours of Ford not continuing their Falcon range have been floating around for a while. Does the government have a contingency plan? Given the enormous rivalry between Ford and Holden fans, if Ford were to drop off the radar, what would the board plan to do?

**The Hon. K.O. FOLEY:** Well, it is not so much what we would do; the event organisers themselves acknowledged this potential problem a few years ago, and they appointed Mark Skaife to head up a program of considering other cars, in effect—

*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** The V8 Supercars are looking at the Car of the Future project. Bear in mind that V8 Supercars—or the people who owned it—have sold it to Archer Capital for a very large number, so they know they have to have cars. If they do not have cars, they do not have a race. So, their future car, I think, is looking at what other similar sized car in the same class as these cars could be introduced; not just because either General Motors or Ford could be at risk in years to come, but also looking at what other classes of vehicles would be around.

As Mark pointed out today, and it was reported in *The Advertiser*, V8 Supercars are now off to America, and they will be racing in Austin, Texas in 2013. Part of the idea is to interest other manufacturers in this race who already produce cars. So, I guess you have the other manufacturers in America, and perhaps Europe, but we do need to have—and I am quite sure we will have the Great Wall V8 Supercar team, but we may indeed have a Chevrolet or a Toyota—

**Mr HAMILTON-SMITH:** What was the spending on the concerts and entertainment component of last year's event?

**The Hon. K.O. FOLEY:** Well, we would have a line that would come under the Premier in terms of the state dinner and the investment from the Premier's department in the festivities, but for our concerts, the total was \$1.2 million.

**Mr HAMILTON-SMITH:** For the whole of the four days?

**The Hon. K.O. FOLEY:** Yes.

**Mr HAMILTON-SMITH:** With regard to public transport concessions, I understand the government is funding certain concessions during the course of the event. Where does that money come from, and what are the government's future plans for these arrangements?

**The Hon. K.O. FOLEY:** I guess that is something that is provided by the Transport Department; it is not really our issue. We do not fund it.

**Mr HAMILTON-SMITH:** That is not costed against the event?

**The Hon. K.O. FOLEY:** My apologies, we are funded by the Motor Accident Commission for that and we do a round robin to the transport department.

**Mr HAMILTON-SMITH:** Right. How much do you spend on that concession?

**The Hon. K.O. FOLEY:** About \$90,000.

**Mr HAMILTON-SMITH:** Are there any plans to move that up or down?

**The Hon. K.O. FOLEY:** No, I do not think so.

**Mr HAMILTON-SMITH:** So, the Motor Accident Commission gives it to—

**The Hon. K.O. FOLEY:** Us.

**Mr HAMILTON-SMITH:** —the Minister for Motor Sport, who then gives it to DTEI?

**The Hon. K.O. FOLEY:** That is it; something like that. They are a sponsor. It comes under a part of the sponsorship package.

**Mr HAMILTON-SMITH:** What is the projected start and finish time for the Clipsal event for next year? When do you expect to be closing the area off to assemble the infrastructure and when will you have pulled it down?

**The Hon. K.O. FOLEY:** I cannot give you a date because we are still finalising the race date itself. Every year, we have this sort of haggling because, as Mark is now finding out, we have to sit down with the arts community and discuss any impacts it may have on festivals of arts, Fringe events or WOMADelaide. We are settling on a date, but we just have not been able to announce it yet.

**Mr HAMILTON-SMITH:** Right. Are you able to say 'this' many weeks before the start of the event or 'this' many weeks after?

**The Hon. K.O. FOLEY:** All I would say is that there is a normal regime. I do not envisage us doing anything different this year, in terms of the weeks prior. I just do not have those details with me, although, I would not mind leaving it up. Do you reckon we could do that? Do you reckon your member for Adelaide would mind?

**Mr HAMILTON-SMITH:** We offered you the legislation. You could have had a permanent facility. In fact, has the government given up on that completely?

**The Hon. K.O. FOLEY:** Roger Cook hasn't.

**Mr HAMILTON-SMITH:** What is the life of the existing temporary infrastructure?

**The Hon. K.O. FOLEY:** It is brand spankers, so it has probably got a good 20 years in it. Roger Cook's opinion is not that of the government because we have not changed our view, but, as Roger said, we are probably better off selling the current structure and investing in a permanent one. The payback period would not be overly long because of the cost each year for you to put it up and pull it down. We have had enough trouble getting you guys on board to build the Adelaide Oval. I do not really have the appetite to revisit a grandstand in Victoria Park in the near future.

**Mr HAMILTON-SMITH:** Is there any prospect of horseracing coming back to Victoria Park to make such a grandstand economically viable?

**The Hon. K.O. FOLEY:** One of the dumbest decisions—

**Mr HAMILTON-SMITH:** I was always very enthusiastic about it.

**The Hon. K.O. FOLEY:** In all my life in politics, it would be one of the dumbest decisions I have seen. We were not able to get it through. We thought we could and every self-interest group marshalled their firepower and defeated the government on the day. I would have thought that it would be beautiful, on a Thursday or Friday night, in the middle of spring, to wander down to Vic Park and watch a twilight meet. It was a no-brainer but, apparently, those who love those Parklands would not cop it. I think it was a terrible decision.

**Mr HAMILTON-SMITH:** What is the cost of storing, pulling up and pulling down the grandstand each year?

**The Hon. K.O. FOLEY:** I will get those figures for you, but the storage and transport alone is about a half a million. I guess, putting up and pulling down is probably another million.

**Mr HAMILTON-SMITH:** The Auditor-General raised some concerns in his 2010 report about major contracts written by the Motor Sport Board. I think the amounts were \$1.48 million and \$4 million. Have those problems been fixed?

**The Hon. K.O. FOLEY:** I am advised those issues have been rectified.

**Mr HAMILTON-SMITH:** I just want to move on, for a moment, to your favourite subject, minister—the motorplex.

**The Hon. K.O. FOLEY:** Yes, I have a contribution on that.

**Mr HAMILTON-SMITH:** I know this warms the cockles of your heart. It is Budget Paper 4, Volume 4, page 157. Firstly, are you the point of contact for government in regard to this project?

**The Hon. K.O. FOLEY:** Apparently.

**Mr HAMILTON-SMITH:** You are. What is the current status of negotiations with the proponents?

**The Hon. K.O. FOLEY:** Well, there are none with the motor sport people who have been making the loudest noise. We have said to them on a number of occasions, 'Look, you have got to go away and tell us exactly what it is you want us to look at so we can do some work.' I do not know whether they have been back. I have made available number of officers from LMC and elsewhere and I do not think they have come back. We are not aware of the fact that they have come back with anything. What we have seen is a very good proposal from some private operators of the motor sport facility up at Tailem Bend. Some private people, with the backing of the local council, have purchased the old Mitsubishi test track and they are keen to do something up there.

I have a really good idea. I am on the record: I think Gillman is a lousy idea and I do not support it personally. I am not going to openly support a loud, intrusive form of entertainment in the middle of my electorate, but I have a great place and, with your backing, I think we can do it.

**Mr HAMILTON-SMITH:** Carrick Hill.

**The Hon. K.O. FOLEY:** No, the Parklands. We already have some bitumised road in there. I reckon it is long enough. There is a story for you: 'Foley recommends speedway drag racing every Saturday night in the East Parklands.'

**Mr HAMILTON-SMITH:** Around the hospital, for example.

**The Hon. K.O. FOLEY:** No, just right where the Clipsal track is now. We will just roll out a bit more bitumen and they can take those thunder-bursting drags—what, you don't like that idea?

*Mr Marshall interjecting:*

**The Hon. K.O. FOLEY:** It is all right for you blokes, you bloody toffs from the eastern suburbs over here. They want to put it in Gillman. Here I am, I have found a place for them, but it is in their electorates.

**Mr HAMILTON-SMITH:** The mayor and council of Port Adelaide Enfield seem to think it is a good idea.

**The Hon. K.O. FOLEY:** I don't think they do and, honestly, I would take what the— anyway. No, I don't think so.

**Mr HAMILTON-SMITH:** How many meetings have you had with them then, the Gillman Motorplex people?

**The Hon. K.O. FOLEY:** One, and I asked them to come back. I have offered to pay half their environmental sound report, but I don't know where they are at.

**Mr HAMILTON-SMITH:** Have they been given unfettered access to the site to prepare engineering plans and to do drawings?

**The Hon. K.O. FOLEY:** I think so.

**Mr HAMILTON-SMITH:** Are they allowed to have access to the site—

**The Hon. K.O. FOLEY:** I don't think we are impeding them.

**Mr HAMILTON-SMITH:** —without needing to seek approval on each occasion and so on? Are they allowed to go to—

**The Hon. K.O. FOLEY:** I don't know, but I am not aware of them ever coming back to government. Yes, we have given them access to the site, we have offered to pay half. They just have not come to the party. But I will fight it in cabinet; that is why I will give it to another minister to handle. I do not want my legacy in Port Adelaide to be a screaming motor sport park driving the residents of Rosewater, Ottoway, Semaphore, Taperoo and North Haven crazy.

**Mr HAMILTON-SMITH:** So, in essence, there is no progress recorded on that at all?

**The Hon. K.O. FOLEY:** No.

**Mr HAMILTON-SMITH:** The Tailm Bend proposal.

**The Hon. K.O. FOLEY:** Yes, that is a good one. It is away from where people live.

**Mr HAMILTON-SMITH:** What progress has been made with that?

**The Hon. K.O. FOLEY:** I am not exactly certain where that is at, but we have made it clear to the organisers, the owners and the council that we are keen to engage. Again, I think we are waiting for them to come back. Yes, we are waiting for them to come back.

**Mr HAMILTON-SMITH:** Has the government had any discussions with the owners of Mallala—

**The Hon. K.O. FOLEY:** No.

**Mr HAMILTON-SMITH:** —about any developments?

**The Hon. K.O. FOLEY:** That would be a good place for it, too, because it is away from people.

*Members interjecting:*

**The Hon. K.O. FOLEY:** Let's put it there.

**Mr HAMILTON-SMITH:** What about the old international raceway at Gawler? Has any approach or discussion been made?

**The Hon. K.O. FOLEY:** Where? At Virginia?

**Mr HAMILTON-SMITH:** Yes.

**The Hon. K.O. FOLEY:** We have not had discussions on that. That is privately owned. But, again, that is where it used to be.

*Mrs Vlahos interjecting:*

**The Hon. K.O. FOLEY:** Noise. See. That is why it comes back to the Parklands. It is a no-brainer. The road is there.

**Mr HAMILTON-SMITH:** Is the government interested at all in a motorplex or are you simply fending off—

**The Hon. K.O. FOLEY:** I am not particularly fussed one way or another, to be honest.

**Mr HAMILTON-SMITH:** So there is no—

**The Hon. K.O. FOLEY:** I think the government thinks it is a good idea, but I am not excited by it.

**Mr HAMILTON-SMITH:** So your view is that the problem with the stalled negotiations at the moment are the Gillman proponents rather than the government?

**The Hon. K.O. FOLEY:** They have not come back. Look, I am ambivalent. I have to tell you, drag racing does not do it for me. I know it does for a number of people. Provided we can find a place that does not personally impact on people and does not cost the taxpayer then we should do it. That would be a good deal. However, I am not going to go to the Treasurer asking for money or try and chase these people down. If they want it, they have to come to us and give us a firm proposal and we will facilitate it as best we can.

**Mr HAMILTON-SMITH:** The Global Green Challenge (World Solar Challenge) I understand is now within this portfolio?

**The Hon. K.O. FOLEY:** It is.

**Mr HAMILTON-SMITH:** It seems to be Budget Paper, Volume 4, page 157. Could you tell us about the status of that event, how much is being spent to sustain it and what are the plans for the future?

**The Hon. K.O. FOLEY:** I am told in October we will have 44 vehicles from 21 countries and we are going to have a sustainability village in Victoria Square. How's that?

**Mr HAMILTON-SMITH:** Fantastic. I imagine the Premier will be down there with a solar panel or something.

**The Hon. K.O. FOLEY:** Probably.

**Mr HAMILTON-SMITH:** And a wind tunnel. The costings for that event: how much are we investing in that event per annum?

**The Hon. K.O. FOLEY:** We are putting in from the Motor Sport Board 359 and the SA Tourism Commission are putting a hundred in.

**Mr HAMILTON-SMITH:** This was an event previously run by the Tourism Commission, I think, wasn't it?

**The Hon. K.O. FOLEY:** Correct.

**Mr HAMILTON-SMITH:** You have taken it off them now.

**The Hon. K.O. FOLEY:** We have taken it.

**Mr HAMILTON-SMITH:** Why have you taken this event but not the Classic Targa Adelaide?

**The Hon. K.O. FOLEY:** Good question.

**Mr HAMILTON-SMITH:** Is there any point in asking you questions about the Classic Targa Adelaide or will you just tell me to go and see the Minister for Tourism?

**The Hon. K.O. FOLEY:** No, you have to ask Johnny Rau. He is a closet petrol head.

**Mr HAMILTON-SMITH:** Is he? I see that has got a reaction from the chair. What about the Adelaide Classic Tarmac Rally that has just been held?

**The Hon. K.O. FOLEY:** The who? Tarmac?

**Mr HAMILTON-SMITH:** The tarmac rally; it has just been held. There was an accident down at Victor Harbor. It had some police support and some government in-kind support.

**The Hon. K.O. FOLEY:** That was the Classic Adelaide, yes.

**Mr HAMILTON-SMITH:** Who is taking prime carriage of that? Is that Tourism or Motor Sport?

**The Hon. K.O. FOLEY:** Independent promoters.

**Mr HAMILTON-SMITH:** Was the police support negotiated through your office?

**The Hon. K.O. FOLEY:** I guess so. Not my office, it would have been through the Road Traffic Division.

**Mr HAMILTON-SMITH:** Does the government have a financial stake in any other motor sport event?

**The Hon. K.O. FOLEY:** I do not think so, not that comes to mind.

**Mr HAMILTON-SMITH:** What about the Bay to Birdwood? Is the Bay to Birdwood still with Tourism?

**The Hon. K.O. FOLEY:** It is not a race; that is just a parade.

**Mr HAMILTON-SMITH:** It is a motor event.

**The Hon. K.O. FOLEY:** It is a parade.

**Mr HAMILTON-SMITH:** Call it what you like.

**The Hon. K.O. FOLEY:** We don't do that one.

**Mr HAMILTON-SMITH:** You do not have any involvement with that; that is all Tourism.

**The Hon. K.O. FOLEY:** No, we only go for racing.

**The CHAIR:** That is Tourism.

**The Hon. K.O. FOLEY:** Tourism.

**Mr HAMILTON-SMITH:** Just going back to Victoria Park for a moment—

**The Hon. K.O. FOLEY:** Yes, the home of the new drag racing track in Adelaide.

**Mr HAMILTON-SMITH:** Last year I asked you about the \$3 million that was spent on advancing that proposal and to whom that money had been paid and you said you would get back to us. Are you in a position now to tell us who received the \$3 million?

**The Hon. K.O. FOLEY:** Didn't I ever get back to you?

**Mr HAMILTON-SMITH:** No. Somehow or other it slipped through the net, I'm not quite sure how.

**The Hon. K.O. FOLEY:** I do not think that was deliberate. KBR Engineering used the vast bulk of the money, I am told; Rider Hunt.

**Mr HAMILTON-SMITH:** Could you give us a list of—

**The Hon. K.O. FOLEY:** We will double-check.

**Mr HAMILTON-SMITH:** —who got what, basically, the amounts?

**The Hon. K.O. FOLEY:** Yes.

**Mr HAMILTON-SMITH:** Very good.

**The Hon. K.O. FOLEY:** I should hit the Adelaide City Council up for a refund, that's what I should do if I was really—

**Mr HAMILTON-SMITH:** I think you have effectively ruled out any chance of a revisit to that proposal.

**The Hon. K.O. FOLEY:** I have, yes, but future governments might come to their senses and do something about it.

**Mr HAMILTON-SMITH:** This is Budget Paper 4, Volume 4, page 160. How much did the Motor Sport Board spend on travel or travel-related expenses in the financial year just ended, and how much is budgeted for next year?

**The Hon. K.O. FOLEY:** We will come back to you with a firm number: approximately \$50,000 for interstate travel, no overseas travel, is what I am advised.

**Mr HAMILTON-SMITH:** What is the present size of the Motor Sport Board? Who is on the board and what are their remuneration levels?

**The Hon. K.O. FOLEY:** Roger Cook, of course, is the chairman, but stepping down, and we will announce his replacement shortly. The board is pretty well the same board we have had for many years. I cannot think of any new member to the board in recent years. Anthony Williamson and Natasha Malani are the two new city councillors. Their remuneration is very little: \$17,800 for a normal member, \$22,000 for the deputy chairman and \$24,000 for the chairman.

**Mr HAMILTON-SMITH:** How often do they meet, normally?

**The Hon. K.O. FOLEY:** Monthly, I assume. Yes. We will be replacing Roger Cook, who has voluntarily decided that he wants to have a rest. We will make appropriate announcements in the near future.

**Mr HAMILTON-SMITH:** I can recommend Tom Koutsantonis, minister, if you want someone who goes fast.

**The Hon. K.O. FOLEY:** That would be a conflict of interest; he is a member of the executive.

**Mr HAMILTON-SMITH:** How many employees—full time, part time—do you have in the Motor Sport Board at present?

**The Hon. K.O. FOLEY:** We have 10 FTEs.

**Mr HAMILTON-SMITH:** How many salaries are there over \$100,000?

**The Hon. K.O. FOLEY:** Three.

**Mr HAMILTON-SMITH:** Who are they and how much are they remunerated?

**The Hon. K.O. FOLEY:** The CEO, the head of marketing and the head of commercial management all receive salaries in excess of \$100,000.

**Mr HAMILTON-SMITH:** Are you able to specify in each case?

**The Hon. K.O. FOLEY:** We can provide that to you.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 4, Volume 4, page 160. What consultancies were paid during the period 2010-11, at what cost and to whom?

**The Hon. K.O. FOLEY:** We will come back to you. There would have been some, I guess, but nothing significant. We will come back to you with that.

**Mr HAMILTON-SMITH:** I notice in Volume 4 at page 161 an item of \$30,000 is listed under 'Other payments' in 2011-12 and budgeted for. Can you tell me what that is budgeted for? It is page 161. It is in 'Other payments' at the top of the page.

**The Hon. K.O. FOLEY:** Yes. We will have to come back with that, I'm sorry. It is a consistent number, so there must be something we are spending the money on regularly. We will come back to you on that.

**Mr HAMILTON-SMITH:** On page 161, as well, I notice the—

**The Hon. K.O. FOLEY:** Hang on, we have got it for you.

**Mr HAMILTON-SMITH:** You've got it, beautiful; fish are biting.

**The Hon. K.O. FOLEY:** The Auditor's report; annual audit fees.

**Mr HAMILTON-SMITH:** You have to pay the Auditor-General? Is it the Auditor-General or the—

**The Hon. K.O. FOLEY:** Yes, I assume so. Yes, it is internal funding.

**Mr HAMILTON-SMITH:** He made some observations last year, you might have to cut his fee.

**The Hon. K.O. FOLEY:** Bugger him!

**Mr HAMILTON-SMITH:** I note that the board is involved in some investing activities on page 161, or certainly it has been involved in some investing activities. There is \$400,000 there in 2009-10 but nothing for the current year.

**The Hon. K.O. FOLEY:** No, that is capital spending. It is referred to as 'investing' in the budget papers. It is not investing as in investing in the—

**Mr HAMILTON-SMITH:** What was that capital spending on?

**The Hon. K.O. FOLEY:** Maintenance capital. Their recurrent maintenance capital—upgrading of infrastructure around the track.

**Mr HAMILTON-SMITH:** At Page 157 there is budgeted spending of \$2.4 million in 2011-12. Could you give us a break-up of that proposed spending?

**The Hon. K.O. FOLEY:** That is our standard government grant to meet the gap between income and outgoings.

**Mr HAMILTON-SMITH:** I just wondered how you construct that.

**The Hon. K.O. FOLEY:** We transfer that money to the Motor Sport Board and it goes into its accounts as part of its—

**Mr HAMILTON-SMITH:** There are no set items that form part of the subsidy?

**The Hon. K.O. FOLEY:** No.

**Mr HAMILTON-SMITH:** It is just a cash top-up?

**The Hon. K.O. FOLEY:** Yes.

**Mr HAMILTON-SMITH:** With reference to page 157, have any operating expenses been cut for 2011-12? Are you making any efficiencies?

**The Hon. K.O. FOLEY:** I think that we run a pretty lean machine. I am not sure that there is anything we could cut without doing anything detrimental.

**Mr HAMILTON-SMITH:** When you were the treasurer you would have been out there looking for something.

**The Hon. K.O. FOLEY:** I am not the treasurer anymore.

**Mr HAMILTON-SMITH:** Finally, as time is running out, I refer to page 160: how much are you spending on advertising and promotions?

**The Hon. K.O. FOLEY:** Including salary, wages, the staff and the costs, all of that, about \$2 million.

**Mr HAMILTON-SMITH:** Thank you very much. Time is up.

**The CHAIR:** There being no further questions, I declare the examination of the Minister for Motor Sport completed.

*[Sitting suspended from 15:00 to 15:24]*

#### **Membership:**

Mr Goldsworthy substituted for Mr Hamilton-Smith.

Mr van Holst Pellekaan substituted for Mr Pengilly.

#### **Departmental Advisers:**

Mr D. Place, Chief Executive, South Australian Fire and Emergency Services Commission.

Mr D. Norton, Director Corporate Services, South Australian Fire and Emergency Services Commission.

Mr N. Stevenson, Manager, Financial Services, South Australian Fire and Emergency Services Commission.

Ms L. Lew, Business Manager, Community Emergency Services Fund, South Australian Fire and Emergency Services Commission.

Mr D. Cranwell, Manager, Strategic Capability and Corporate Affairs, Metropolitan Fire Service.

Mr G. Nettleton, Chief Officer, Country Fire Service.

Mr C. Beattie, Chief Officer, State Emergency Service.

Mr G. Lupton, Chief Officer, Metropolitan Fire Service.

Ms A. De Piaz, Director, Strategic Services, Country Fire Service.

Mr J. Schirmer, Business Manager, Country Fire Service.

Mr M. Blute, Business Manager, State Emergency Service.

Mr T. Norman, Business Manager, Metropolitan Fire Service.

**The CHAIR:** I declare the proposed payments reopened for examination. Minister, you did not have an opening statement, did you?

**The Hon. K.O. FOLEY:** No, never.

**The CHAIR:** Member for Kavel, do you have an opening statement?

**Mr GOLDSWORTHY:** No, Madam Chair.

**Mr GOLDSWORTHY:** I have some questions in relation to SAFECOM first up. I refer to Budget Paper 4, Volume 2, page 50, SAFECOM workforce. The 2009-10 actual states that there are 97.6 FTEs as at 30 June 2010. The budget for 2011-12 lists 58.7, a reduction of 38.9 FTE positions. This is an explanation to the question. The number of staff reductions is quite different from advice provided to the Economic and Finance Committee when it reviewed the emergency services levy about a month ago. Comparing that to the advice provided by the former minister, the member for Lee, during last year's estimates, can the minister explain the difference? Is it correct that the target has not been achieved in that period?

**The Hon. K.O. FOLEY:** You are talking about the budget coming up, the budget you are about to go into?

**Mr GOLDSWORTHY:** It was stated on 2 June at the Economic and Finance Committee that, in 2010, 12 FTE positions would be cut to provide a saving of about \$0.5 million. The 2009-10 actual is 97.6, as I said, and the 2010-11 estimated result is 96.7, which is only a 0.9 FTE reduction.

**The Hon. K.O. FOLEY:** It has occurred. I made a decision, when I came into this portfolio, that I wanted to cut the budget to SAFECOM by \$2 million, and I did, for the year going forward.

**Mr GOLDSWORTHY:** I understand that.

**The Hon. K.O. FOLEY:** Well, then, that's the answer.

**Mr GOLDSWORTHY:** No; it does not seem to be on track. The actual FTE that has been cut is only 0.9 of a position.

**The Hon. K.O. FOLEY:** I do not know. We are not here examining last year's budget; we are here examining the budget for this financial year that we are now in. What I have done is instigated to \$2 million cut to SAFECOM's budget.

**Mr VAN HOLST PELLEKAAN:** The difference to last year and this year is relevant.

**The Hon. K.O. FOLEY:** They are not. We are not examining last year's budget.

**Mr GOLDSWORTHY:** But it is a comparison, though, minister.

**The Hon. K.O. FOLEY:** At the start of 2010-11 year, which we are not being examined on—but because I am a generous bloke—we had a target of 107.9, and at the start of the year, today, we are down to 96.7 and we will go down to 58.7. Alright? Done. Next question.

**Mr GOLDSWORTHY:** I refer to Program Summary Expenses and income, page 52. Given the 2011-12 budget of 39 fewer SAFECOM staff, the reduced employment of benefit expenses budgeted for in 2011-10 is \$7.616 million, which is 58.7 staff (as per the budget), \$2.485 million less than the actual 2009-10 budget. That averages to approximately \$64,000 per position. Can the minister advise which positions will be cut?

**The Hon. K.O. FOLEY:** We will come back to the house with that. We don't have that information with us.

**Mr GOLDSWORTHY:** Will there be any executive positions in the executive band—

**The Hon. K.O. FOLEY:** I don't know.

**Mr GOLDSWORTHY:** —the classification's executive and MAS?

**The Hon. K.O. FOLEY:** We will come back to you with those details. Budget cuts are not easy, but it is a sign of the times. The board is working through that process as we speak.

**Mr GOLDSWORTHY:** How long will it take to get that information back to us?

**The Hon. K.O. FOLEY:** Well, the board is working through that information now, so we are not in a position to give it to you, and we will give it to you when we are able to.

**Mr GOLDSWORTHY:** A week? A month?

**The Hon. K.O. FOLEY:** No idea; when we are able to.

**Mr VAN HOLST PELLEKAAN:** Minister, if your board is working through it now, surely you could give a fairly accurate indication of when the information will be available?

**The Hon. K.O. FOLEY:** No, because I do not know when the board will complete that work. I do not—

**Mr VAN HOLST PELLEKAAN:** So you have not given them any direction, any leadership—

**The Hon. K.O. FOLEY:** 'Any leadership'.

**Mr VAN HOLST PELLEKAAN:** —any desire to—

**The Hon. K.O. FOLEY:** No, I just told them, 'Cut \$10 million and tell me how you are going to do it.' That's government, mate; it's hard decisions.

**Mr VAN HOLST PELLEKAAN:** But you have not given them a timeframe on when you what that—

**The Hon. K.O. FOLEY:** Yes, well, I have given them the budget—they know what budget they have to work to, and they have to work within the envelope of resources the government is prepared to provide them with, and they are working on that now. That is what happens in budgets.

**Mr GOLDSWORTHY:** So, just to get this clear, minister: the target has changed from that previously set?

**The Hon. K.O. FOLEY:** Yes, because I am the new minister, and we have a new budget year.

**Mr GOLDSWORTHY:** Okay. So, the target reduction savings that had been set was \$9 million over four years. Now, have you put another \$2 million on top of that?

**The Hon. K.O. FOLEY:** Yes, another \$2 million on top of that.

**Mr GOLDSWORTHY:** So it will be \$11 million over four years?

**The Hon. K.O. FOLEY:** No, it will be \$20 million over four years. 'Razor gang Foley: toe cutter'.

**Mr GOLDSWORTHY:** \$20 million over four years out of SAFECOM?

**The Hon. K.O. FOLEY:** Yes.

**Mr GOLDSWORTHY:** Okay. So, what will that reduce SAFECOM's FTE to?

**The Hon. K.O. FOLEY:** Down to 47.2; leaner and meaner.

**Mr GOLDSWORTHY:** Well according to the figures, that is as per where the budget has been set.

**The Hon. K.O. FOLEY:** What?

**Mr GOLDSWORTHY:** Well that is how the budget has been set.

**The Hon. K.O. FOLEY:** Yes, and your point is?

**Mr GOLDSWORTHY:** You said there was an extra \$2 million to be taken out.

**The Hon. K.O. FOLEY:** Yes, it is in the budget. It is not like another \$2 million; it is in the budget. We had budget savings from a previous year, and I have instigated some more budget cuts this year—cumulative.

**Mr GOLDSWORTHY:** So the total staff number (FTE) reduction will be down to 47 in SAFECOM?

**The Hon. K.O. FOLEY:** Yes, that is what I said, and that is in the budget.

**Mr GOLDSWORTHY:** So do you see that as the optimum staffing number over a reasonably long term?

**The Hon. K.O. FOLEY:** Oh, who knows what will happen in the future? The world changes. No day is the same.

**Mr VAN HOLST PELLEKAAN:** Minister, is the dollar value budget cut that you are after based on how you see the best operation of the department, or is that based on a dollar figure target that you have in your head that, for other reasons, just needs to be met, or a combination of both?

**The Hon. K.O. FOLEY:** I just thought it was a reasonable number.

**Mr VAN HOLST PELLEKAAN:** So no operational consideration was brought into that?

**The Hon. K.O. FOLEY:** I have been doing this job for a long time.

**Mr VAN HOLST PELLEKAAN:** Well you told us you just—

**The Hon. K.O. FOLEY:** I can come to these conclusions with experience behind me.

**Mr VAN HOLST PELLEKAAN:** You told us you have just started this job, as Minister for Emergency Services, so you have come—

**The Hon. K.O. FOLEY:** I have been state treasurer for nine years.

**Mr VAN HOLST PELLEKAAN:** I understand that. So, you no doubt would understand the dollars very well, but the question was: did you have any view to operational efficiencies and what was appropriate for actually providing the service, over and above—

**The Hon. K.O. FOLEY:** Yes, that's right; that's why I said '\$2 million'.

**Mr VAN HOLST PELLEKAAN:** —just the money.

**Mr GOLDSWORTHY:** Given that decision, minister, is there a structural review to take place in SAFECOM?

**The Hon. K.O. FOLEY:** Well the board is working through those cuts now, and the mission plan is quite clear:

SAFECOM is to be refocused and streamlined on the priorities of government emergency management, a board secretariat model, and the continuation of critical support functions to agencies such as OHS&W, volunteer strategy, and other key corporate services.

**Mr GOLDSWORTHY:** So, will the three agencies (CFS, SES and MFS) have to pick up those duties that had been previously—

**The Hon. K.O. FOLEY:** Possibly.

**Mr GOLDSWORTHY:** —carried out by SAFECOM.

**The Hon. K.O. FOLEY:** Possibly; with no more FTEs, but possibly, yes.

**Mr GOLDSWORTHY:** Who will do their jobs if they do not do them?

**The Hon. K.O. FOLEY:** Don't know. They will work it out. There will be no reduction in service.

**Mr GOLDSWORTHY:** Just like that, they will work it out?

**The Hon. K.O. FOLEY:** That is the faith I have in the executive leaders of my agencies. They are very smart people. We get pilloried if we hire too many public servants. Here I am, putting in an efficiency model and there is an incredulous reaction from members opposite. I find it extraordinary.

**Mr VAN HOLST PELLEKAAN:** No, that is not true, minister. We just want to know about the model. We just want to know about the model—that is all. There does not seem to be a model.

**The Hon. K.O. FOLEY:** It will work like a well-oiled machine.

**Mr GOLDSWORTHY:** We will perhaps hold you to those words down the track.

**The Hon. K.O. FOLEY:** You may do that, sir.

**Mr GOLDSWORTHY:** So, to get it clear, the optimum figure of 47 will have been achieved by 2013-14?

**The Hon. K.O. FOLEY:** Yes.

**Mr GOLDSWORTHY:** So, between now and then, you will work out—

**The Hon. K.O. FOLEY:** We are working through it now, as I have said four or five times now. We are working through a plan now to make the appropriate efficiency savings as required by government. Alright?

**Mr GOLDSWORTHY:** Sure.

**The Hon. K.O. FOLEY:** Good.

**Mr GOLDSWORTHY:** We now move to CFS questions.

**The CHAIR:** Okay. So, we are coming back to the Emergency Services Levy Fund.

**The Hon. K.O. FOLEY:** This is Greg Nettleton's first estimates committee in this parliament. He is formerly from the Northern Territory, a former Army colonel and combat engineer. He ran the Northern Territory fire service—outstanding officer.

**Mr GOLDSWORTHY:** Indeed. Budget Paper 4, Volume 2, pages 17 and 18, Sub-program 1.3: Operational Preparedness, Highlights 2010-11. The dot point 2 there, minister: 'Completed construction of new fire stations at Hamley Bridge, Balaklava and Wilmington'. There are some questions concerning the exact amounts that have been paid, relating to this issue with unauthorised payments.

The different reports that have been released by the government revealed that the figures actually vary. Now, again referring to evidence of the Economic and Finance Committee, on 2 June, it was stated as being an overpayment of \$726,000 and a \$385,000 payment to the subcontractors.

Then, from the Auditor-General's Supplementary Report of February this year, the Auditor-General said it was \$726,000 for 13 other CFS and two other SES projects, but the same report also states that payments totalling \$1.289 million made to a common contracted construction manager were paid as at 30 June 2010, in advance of contracted conditions being met or goods and services being received. Another line says that \$356,000 for CFS projects were completed by the construction manager after 30 June.

In the same report, on page 31—this is the Auditor-General's Supplementary Report—it refers to 16 projects estimated at being overpaid by \$1.134 million with \$356,000 worth of building work carried out, leaving an overpayment amount of \$778,000.

**The Hon. K.O. FOLEY:** I can give you the answer.

**Mr GOLDSWORTHY:** Can the minister tell us what the correct amounts are?

**The Hon. K.O. FOLEY:** What I will do is I will have the correct amounts provided to you in written form, but I will start off with some good news. As the chief officer tells me, Hamley Bridge—whose electorate is that in?

**Mr MARSHALL:** Frome.

**The Hon. K.O. FOLEY:** We are opening that on 9 July and Balaklava on 28 August. There is no doubt that there has been a serious issue with these projects. An internal investigation by SAFECOM uncovered substantial pre-payments, and further investigations uncovered a further

figure, I think, of \$385,000, which was referred to somewhere in that long question, owing to subcontractors.

The person who was responsible for these projects is stood down and is currently under investigation by the Anti-Corruption Branch of the SA police force for potentially corrupt behaviour. It has been a mess. Unfortunately, these things happen. They should not, but they do. That is a function of human nature, but our people are onto it and we have rectified it. We have rectified it in the sense that the projects have been completed and are being rolled out and opened. The volunteers, I am told, are very happy with these facilities. The matter of criminality will be subject to police investigations. I am advised crown law is doing its work to see what amounts can be recovered from the recipients.

**Mr GOLDSWORTHY:** So, can you confirm that an amount of \$385,000 was paid to the subcontractors?

**The Hon. K.O. FOLEY:** Yes, I just told you that.

**Mr GOLDSWORTHY:** But you cannot tell us what the total amount is?

**The Hon. K.O. FOLEY:** \$1.1 million, sorry. I can tell you: \$1.1 million. That is the \$726,000, I guess, and the \$385,000—\$1.011 million. Alright?

**Mr GOLDSWORTHY:** It is \$1.11 million.

**The Hon. K.O. FOLEY:** Whatever. Yes, \$1.1 million.

**Mr VAN HOLST PELLEKAAN:** Minister, can you tell the committee what plans, programs or prevention measures you have in place to make sure something like this does not happen again?

**The Hon. K.O. FOLEY:** Hopefully the integrity of the officer that we employ is somewhat better, perhaps, than the one we had. We have reduced our delegation authority to projects. This the problem: you give delegated authority, you try to make things work to the best of your ability. What we have had to do now is that anything in excess of \$11,000 is scrutinised monthly by a cross-sector building projects control committee and no progress payments are to occur without independent validation, including photo evidence from remote locations. The newly-introduced e-procurement system will ensure invoices are approved at the appropriate level, with separate certifying and approving officers.

This is the dilemma: we all want less regulation, less red tape, and that is a good and admirable cause, but the truth is that the more free you make a system the more open it is to criminal abuse. It does not happen very often in this state, thankfully, that we are aware of, but the response—and I can fully understand and fully support David's response to it—does put back in play a significant level of complexity and red tape. However, it is necessary for us to regain confidence and for the volunteers and the market to regain confidence in our contracting.

**Mr GOLDSWORTHY:** Minister, can you advise us of some of the details relating to the \$385,000 paid to the subcontractors, in terms of how many were there and how you want about determining that amount? Was it from the goodness of the government's heart that they paid this money?

**The Hon. K.O. FOLEY:** No, we did a forensic analysis and we demanded a high level of proof that they had undertaken these services.

**Mr GOLDSWORTHY:** How many subcontractors were involved?

**The Hon. K.O. FOLEY:** We do not know. We will come back to you. We do not have that information off the top of our head.

**Mr GOLDSWORTHY:** Were any subcontractors refused payment?

**The Hon. K.O. FOLEY:** No. We were not in a very strong bargaining position. But they are verified, I am told.

**Mr GOLDSWORTHY:** Can you outline a bit more detail with this? Unique Constructions, they were the business.

**The Hon. K.O. FOLEY:** We cannot comment on this. This is a matter of a police investigation now and I would really—I am not trying to dodge it. We have been pretty open about this, but I think there is a limit to how much we can discuss it publicly, given it is almost certainly going to be a matter for the courts.

**Mr GOLDSWORTHY:** I understand that, minister, but we have said the 726 was paid to them.

**The Hon. K.O. FOLEY:** Prepaid.

**Mr GOLDSWORTHY:** Overpaid or—

**The Hon. K.O. FOLEY:** Prepaid and overpaid.

**Mr GOLDSWORTHY:** Out of that 726 they should have paid the subcontractors 385.

**The Hon. K.O. FOLEY:** I am advised some work was done and paid for legitimately and some work that we think was done—I can verify it was done—was not paid to the subcontractors and we understand they may have kept some money, so we took it upon ourselves. I guess, legally, we probably did not have to pay some of these subcontractors but we did.

**Mr GOLDSWORTHY:** Was that same building company involved in the construction of the joint facility at Port Lincoln?

**The Hon. K.O. FOLEY:** Not that I believe, no. The joint facility?

**Mr GOLDSWORTHY:** Yes, the CFS/MFS/SES station at Lincoln?

**The Hon. K.O. FOLEY:** We do not think so, no. They were a subcontractor for paving at that facility but they were not the prime.

**Mr GOLDSWORTHY:** I understand there has been a letter of demand served on the construction company. How is the government tracking in relation to that matter?

**The Hon. K.O. FOLEY:** They have until 3 July to respond and then we will have to assess our legal position at that point.

**Mr GOLDSWORTHY:** And you are getting advice from crown law on it?

**The Hon. K.O. FOLEY:** Yes, we would be, yes.

**Mr VAN HOLST PELLEKAAN:** Minister, you said that your forensic investigation resulted in paying all the invoices that were requested and you have documentary proof that that was warranted. Do you have any suspicion that there was any doubling up? Do you believe there might be some other payments that were made, overlapping in any way, that might potentially come out of a legal investigation?

**The Hon. K.O. FOLEY:** Good question. We put people out into the site, they had to verify it, they had to provide documentation. We did it as thoroughly and forensically as we could. This is pretty hard for me to explain. It would appear to be significant fraud on the state.

**Mr VAN HOLST PELLEKAAN:** The preventive measures that you are putting in place with the well-oiled machine that you referred to before—

**The Hon. K.O. FOLEY:** They will not be able to go down and buy the lunch for the staff without getting—

**Mr VAN HOLST PELLEKAAN:** Minister, I do take on board and agree with what you said before: it is a difficult issue. We all want freer, smaller, more effective and less expensive government but we also want the job done 100 per cent just right, so that is a challenge for anybody. Getting back to what you mentioned before about budget savings—I understand that is SAFECOM versus CFS, specifically, at the moment—will these additional preventive measures fall in line with your budget cuts?

**The Hon. K.O. FOLEY:** Yes. It will not make a difference, no. We will make sure that that does not get affected, absolutely.

**Mr VAN HOLST PELLEKAAN:** Can I also declare an interest, as a very proud member of Wilmington CFS Brigade. So it is nice to meet you, Mr Norton.

**The Hon. K.O. FOLEY:** A Wilmington lad, yes.

**Mr VAN HOLST PELLEKAAN:** Do you have a date for the opening of the one at Wilmington? You mentioned the other two.

**The Hon. K.O. FOLEY:** I think we are getting close. It is completed but the local brigade have not advised us. You may well know before we do.

**Mr VAN HOLST PELLEKAAN:** It was not a trick question.

**The Hon. K.O. FOLEY:** I know; but, no, we have not had that date. I might come up for it.

**Mr VAN HOLST PELLEKAAN:** Good, you would be very welcome.

**The Hon. K.O. FOLEY:** We can have a beer in the Wilmington pub. I like Wilmington.

**Mr VAN HOLST PELLEKAAN:** It is a great place.

**The Hon. K.O. FOLEY:** I love Melrose; I like Wilmington. I love Wilmington, too, I suppose.

**Mr VAN HOLST PELLEKAAN:** A fantastic part of the world.

**The Hon. K.O. FOLEY:** You do live in Wilmington, don't you? Fantastic.

**Mr VAN HOLST PELLEKAAN:** Yes, right opposite the CFS shed. I saw this whole debacle unfold in front of my eyes.

**The Hon. K.O. FOLEY:** You won't be able to have any excuse for missing fire drills or practice.

**Mr VAN HOLST PELLEKAAN:** Only parliament, minister.

**The Hon. K.O. FOLEY:** Park your car around the back if you want to have a night off.

**Mr VAN HOLST PELLEKAAN:** I am often not home, as you would understand.

**Mr GOLDSWORTHY:** That is three of the stations that were involved.

**The Hon. K.O. FOLEY:** Yes.

**Mr GOLDSWORTHY:** But in the Auditor-General's Report it talked about another 13.

**The Hon. K.O. FOLEY:** We are advised that they were included, but there was no work started on them. They had not had a chance to further do whatever misdeed they were doing. They had not been started. No money had been paid out.

I can tell you what stations they are. We are very proud of this. This is a Labor government supporting our volunteers in the bush. We are building significant infrastructure—well, that might be a tad embellished—at Rudall, Tumbay Bay, Sceale Bay, Tucky—where is Tucky? Does anyone no where Tucky is? Can anyone tell me where Tucky is? Wilson country; iron bar. No-one knows where Tucky is? Right. We are now googling 'Tucky'. I continue: Buckleboo, Cockaleechee (Cockaleechee kid), Mount Hope, and here is another one, Karkoo (West Coast), Wadikee, Binnum—

**Mrs VLAHOS:** Is it an 'i' or a 'y'?

**The Hon. K.O. FOLEY:** A 'y' here. I am advised 'ey'. I continue: Kybybolite, Montacute, Lyndoch, Palmer, Mount Torrens, Blackwood, Stirling and the State Training Centre. Once we know through my good colleague over there where Tucky is, I can put your interest to rest.

**Mr GOLDSWORTHY:** You have listed Mount Torrens there, minister. Do we know what the completion date would be at Mount Torrens, because that township has been waiting years for a station upgrade? They got a transportable delivered, I think, and then it did not fit the heritage nature of the town.

**The Hon. K.O. FOLEY:** All those that I just mentioned are either under construction or about to be commenced. So, there is a good story for the front page of your newsletter. You take credit for it.

**Mr GOLDSWORTHY:** Just like I did with the Mount Barker Police Station when that got built.

**The Hon. K.O. FOLEY:** Our government—how are you going over there Leesa? You can't find Tucky. Tucky does not appear on Google. What about Google maps? I am told that there is a better one than Google maps. It is called—

**Mrs VLAHOS:** Is it 'Where is'?

**The Hon. K.O. FOLEY:** That may work. Someone told me—

**Mrs VLAHOS:** I've got Tucky, South Australia—T-U-C-K-Y.

**The Hon. K.O. FOLEY:** There is no 'e' in it. David! Where is it?

**Mrs VLAHOS:** Cleve.

**Mr GOLDSWORTHY:** Mount Torrens is about to start; have you got any indication when it might start?

**The Hon. K.O. FOLEY:** Just give my guys a ring and they will find it for you.

**Mr GOLDSWORTHY:** Does the Chief Officer of the CFS know?

**The Hon. K.O. FOLEY:** No, he does not have the information at his fingertips.

**Mr GOLDSWORTHY:** Going back to this overpayment and this alleged fraud, and so on—

**The CHAIR:** I think that the minister did say that he really did not want to answer any more questions about that on account of the issues. He made that quite clear.

**Mr GOLDSWORTHY:** He did and he didn't. This is not a cheeky question.

**The Hon. K.O. FOLEY:** No, none of yours have been, trust me.

**Mr GOLDSWORTHY:** I have been easy on you. The government officer who made the payments, did he have any senior officer oversight in relation to his actions?

**The Hon. K.O. FOLEY:** Well, he did, but I guess that he had delegated authority—completely exceeded his delegated authority and there were no reports. It would appear that a significant piece of cover up occurred. His limit was \$100,000. Reports that were sent up to line management were fudged. The true figures were not included. This was pretty bad.

In fairness to the officers involved, you take these officers on trust and they give you figures and you assume they are correct. That is why we have an audit process; and, in fairness to David and his people, they obviously picked up on it at a point where we were able to take action.

**Mr GOLDSWORTHY:** This person had authority up to \$100,000?

**The Hon. K.O. FOLEY:** Yes.

**Mr GOLDSWORTHY:** But he was making draws of more than \$100,000?

**The Hon. K.O. FOLEY:** Very tricky. What he did was, we alleged, and will allege, is that he signed invoices but when seeking the payment authorities made the payment authorities in batches under \$100,000 so that they were within his delegation. So, the payment people were, obviously, given an appropriate instrument from a person who had a delegated authority.

**Mr GOLDSWORTHY:** How long did it take to pick it up?

**The Hon. K.O. FOLEY:** It started in March and the guys were onto it in June. When you think about it, there is that guy up at Flinders University who got \$25 million before they got him. The late Allan Scott lost about \$20 million when his finance bloke was buying horses in New Zealand, and they only got onto him because he called one of the horses Gambier. In my time as treasurer frauds occurred. Governments are the biggest business in town. We churn over tens of millions of dollars a day, if not hundreds of millions of dollars a day, or certainly a week. There are a lot of entry points, or exit points, or whatever you wish to call it, in terms of where people are in receipt of or have authority over substantial amounts of money, and that is the reality of a large business like ours, as you would know as a former banker.

**Mr GOLDSWORTHY:** Exactly. I was going to cite an example of my days in the bank. At a particular branch that I was working at we had an investigation audit team roll in unannounced. It was all hush-hush. They locked themselves in the lunch room and went through a whole lot of records because a previous staff member had been defrauding funds out of customers' accounts. It totalled tens of thousands of dollars. He ended up being convicted and doing time in a correctional services facility.

**The Hon. K.O. FOLEY:** In modern society we are not able to have a fail-safe system.

**Mr GOLDSWORTHY:** No; that is right. No organisation is immune to it.

**The Hon. K.O. FOLEY:** Although there was an instance where a staff member of Families and Communities knocked off \$380,000 for her pokie addiction, and I did make the point that at least we got half of it back.

**Mr VAN HOLST PELLEKAAN:** Just on this, we have delved through lessons learnt, obviously, and as an employer I have been ripped off by staff, not nearly to the same degree, but I understand the principal. I guess I have more of a comment: it is going to be difficult to imagine

taking corrective action and budget cuts simultaneously without impacting on the dollars that are effectively spent on the ground on behalf of the community and the volunteers.

**Membership:**

Mrs Geraghty substituted for Mr Sibbons.

**The Hon. K.O. FOLEY:** What I can say on that, as David has said, is that the guys manage the overruns within their annual programs; they have an annual program. This money comes from the ESL, so it has not been touched by the cuts. The CFS and SES maintenance and upgrade programs are immune to any budget cuts.

**Mr VAN HOLST PELLEKAAN:** I refer to the same budget line. While this might sound like an operational question, it does relate directly to costs. What lessons have been learnt with regard to protection for the community while the fire stations being replaced are out of action? Is there any intention to devote financial resources to that sort of thing in the future? Obviously, I am familiar with what happened at Wilmington but not the other two.

**The Hon. K.O. FOLEY:** What, did they park their trucks in your garage?

**Mr VAN HOLST PELLEKAAN:** No; in somebody's shed, in their backyard.

**The Hon. K.O. FOLEY:** I guess it is just project by project. We either use the local service station, sometimes backyard, or we put in containers. It is one of the inconveniences of such an exercise. Balaklava was a new building, so they could stay in their old one. I must say that one of the things that your government did—but I am not saying this is a political point—when we brought in the emergency services levy we agreed as a parliament, the government of the day, to take over responsibility for CFS facilities, which, of course, previously were the responsibility of local government. We took all those facilities onto our balance sheet and the responsibility for maintaining them; so we burdened ourselves with an additional costs that previously had been met at the local government level. I thought I would throw that in.

**Mr GOLDSWORTHY:** This is off the track a bit, but wasn't that part of the ESL arrangement?

**The Hon. K.O. FOLEY:** That's what I said.

**Mr GOLDSWORTHY:** But that was our legislation.

**The Hon. K.O. FOLEY:** Yes; that's what I said. I was not trying to have a crack at you, but if you want to take it on, in hindsight—

**Mr GOLDSWORTHY:** I thought you said your government.

**The Hon. K.O. FOLEY:** No; I said your government. I said your government, but 'your government' being your government. Long day. We let local government off the hook. We do not get a contribution from them for maintenance. We have taken it all on ourselves, and that is history, and there is nothing we can do about it.

**Mr GOLDSWORTHY:** It was obviously in a shambles. Weren't they \$12 million in debt?

**The Hon. K.O. FOLEY:** It could have been; I can't remember.

**Mr GOLDSWORTHY:** I know one of the officers in the Mount Barker CFS, one of the volunteers, said that they did not have enough money to put diesel in both their trucks, both units, so when an emergency arose they could only take one unit out.

**The Hon. K.O. FOLEY:** It was pretty shoddy, and it is probably for a government to take responsibility with our money, but it still would have been nice to still be getting a bit of a contribution from local government, but never mind. Next question.

**Mr GOLDSWORTHY:** I understand that Sarah Constructions have been contracted—

**The Hon. K.O. FOLEY:** They are a good outfit.

**Mr GOLDSWORTHY:** —to recommence the work that the previously failed company had not completed. Are you able to provide details about the amount that Sarah Constructions were paid to complete the three stations at Wilmington, Hamley Bridge and Balaklava?

**The Hon. K.O. FOLEY:** We do not have that with us, but we will get it for you as soon as possible.

**Mr GOLDSWORTHY:** There was nothing particularly incorrect in relation to the contract that had been negotiated and drawn up with the previous construction company that ran off the rails. There was no evidence in relation to that?

**The Hon. K.O. FOLEY:** I do not really want to go into that, because this may well be the matter of the defence, or the prosecution. We have not got that far yet, but these matters are being investigated, with the high probability of both civil and criminal action in the courts, and I am just not sure how wide the boundary is on this. I do not really want comment too much on that, sorry.

**Mr GOLDSWORTHY:** Fair enough. Has the Auditor-General had any oversight role in the projects to complete the three stations, and also, in relation to the tendering for Sarah Constructions of this work?

**The Hon. K.O. FOLEY:** No. This is, in part, a misunderstanding which often occurs in this place (and not always just on the opposition's side) about the role and functions of an auditor-general. An auditor-general is 'post facto'. I would give you the Latin if I knew it.

**Mr GOLDSWORTHY:** 'After the event'. Not that I did Latin.

**The Hon. K.O. FOLEY:** That's the English. An auditor comes in after an action has taken place, and audits. Auditors-general do not oversee, supervise or manage, or act as probity auditors on process—very rarely—and would normally only do it at direction by the Treasurer. In this case, because an action had been uncovered, it was appropriate for the Auditor-General to investigate the matters at hand.

But it is not appropriate, nor is it his role, for the Auditor-General to then supervise the clean-up or the ongoing completion of these projects; that is a matter for government. The Auditor-General will no doubt—and I am sure, with much interest—go through and make sure that we did not make further errors, but that is what the Auditor-General's role is.

**Mr GOLDSWORTHY:** You raised the position of a probity officer, I think you said, or using probity in relation to assessing contracts and so on. How often do you use a probity—

**The Hon. K.O. FOLEY:** That is a good question. I guess on these projects, given their size, we probably did not have probity auditors. It is at the discretion of the government as to whether probity auditors are appointed; you tend to appoint them on the very large, complex projects. On these projects, given their size, we did not feel that a probity auditor was necessary because they are not cheap. If you are building something for \$100,000 and a probity auditor is going to cost you \$10,000 or \$15,000, you could argue that it is probably not the best allocation of money.

**Mr GOLDSWORTHY:** Sure. Are you able to provide the committee with the total cost of the three projects in terms of the funds that were paid to the previous construction company, the \$385,000 to the subbies, and then the funds that will be paid to Sarah Constructions?

**The Hon. K.O. FOLEY:** We will get that for you; it is very easy to get. We just do not have that with us, but we will provide that to you.

**Mr GOLDSWORTHY:** Same budget paper, Volume 2, pages 19 to 20, sub-program 1.4: Response, Highlights 2010-11, at dot point 2: progress the development of SACAD.

**The Hon. K.O. FOLEY:** Who?

**Mr GOLDSWORTHY:** The South Australian Computer Aided Dispatch system, policies and procedures in the CFS.

**The Hon. K.O. FOLEY:** Yes, know it well.

**Mr GOLDSWORTHY:** Targets 2011-12, dot point 1, support the implementation of the SACAD system in the CFS. Now, according to last year's estimates committees, the SACAD system was on budget to cost—

**The Hon. K.O. FOLEY:** On time.

**Mr GOLDSWORTHY:** Well, we will get to that—was on budget to cost \$40.9 million, from way back in 2008-09 to 2013, and was on target to be delivered on time, and within budget, by mid-2011, prior to the start of this year's 2011-12 fire season. Given that we are actually, right now, at mid-2011—

**The Hon. K.O. FOLEY:** We are exactly at the middle.

**Mr GOLDSWORTHY:** —is SACAD operational?

**The Hon. K.O. FOLEY:** We are training the people, as we speak. At this stage, and I am prepared to announce this today, the go live day is 25 October. You know now, by absolute definition, something will happen and it will not be 25 October. There is high confidence that we will go live on 25 October. Go live, 25 October—stay tuned.

**Mr GOLDSWORTHY:** I will read this sentence out and you can perhaps clarify it. Why is it the case that on page 79 of Budget Paper 4, Volume 1, under additional information for administered items for the Attorney-General's Department, statement of cash flow, there are references to employee benefits payments to the SACAD project varying from \$776,000 in 2009-10, \$7,000 in the 2010-11 budget, \$747,000 in the 2010-11 estimated result, to \$11,000 in the 2011-12 budget? Is there any explanation in relation to those extreme variances?

**The Hon. K.O. FOLEY:** Look, when I read that in the budget papers, I stopped and thought, 'I need to reconcile that.' The answer I came up with was it is the project management cost—projects cost. They are the people delivering them.

**Mr GOLDSWORTHY:** Yes, but there are huge variances, Kevin.

**The Hon. K.O. FOLEY:** Mate, life is full of ups and downs and variables.

**Mr GOLDSWORTHY:** Tell me about it.

**The Hon. K.O. FOLEY:** It is reconcilable. Trust me, I have reconciled myself.

**Mr GOLDSWORTHY:** Just citing this example, it was \$7,000 in the 2010-11 budget and then \$747,000—

**The Hon. K.O. FOLEY:** You are looking at the AGD papers. We do not have them, but—

**Mr GOLDSWORTHY:** —in the 2010-11 estimated result.

**The Hon. K.O. FOLEY:** It is all ridgy-didge, legitimate, above board and fully explainable.

**Mr GOLDSWORTHY:** Can we have somebody explain it?

**The Hon. K.O. FOLEY:** I have just explained that.

**Mr GOLDSWORTHY:** You just said life is full of ups and downs.

**The Hon. K.O. FOLEY:** Well, what more do you want to know?

**Mr GOLDSWORTHY:** The reason for that massive—

**The Hon. K.O. FOLEY:** It is an AGD project. Ask the Attorney-General for a fuller answer. If I had Jerome here I would get him up here, but he is not here. He obviously knew the question was coming. There you go. You have got a hot red live one for the AGD.

**Mr GOLDSWORTHY:** Can you give us—

**The Hon. K.O. FOLEY:** It is not our project.

**Mr GOLDSWORTHY:** Yes, I know, can you explain why it isn't, given that it is to do with emergency services?

**The Hon. K.O. FOLEY:** Because it is police, ambulance and emergency services. You should have asked me when I had the police here. It is the whole of government emergency services, but don't stress.

**Mr GOLDSWORTHY:** I won't stress.

**The Hon. K.O. FOLEY:** It will be good on 25 October, mate.

**Mr VAN HOLST PELLEKAAN:** Minister, page 81 of Budget Paper 4, Volume 1, under investing activities: cash outflows, purchase of property, plant and equipment. Just over \$6.5 million is budgeted in 2011-12 on the SACAD project. Can the minister explain what component of the project this money is for? I understand the project is not yours—

**The Hon. K.O. FOLEY:** It is not mine.

**Mr VAN HOLST PELLEKAAN:** —but the budget is yours.

**The Hon. K.O. FOLEY:** Well, it is software, hardware, kitchenware—I don't know. It is just whatever else they have to buy for the project. It would be the stuff that you have with this thing to make it work and go live on 25 October. You see, I never used to be a line minister; I have always been the treasurer. These in-depth forensic questions are blowing my brain apart. I am struggling.

**Mr GOLDSWORTHY:** SACAD has been around for years, Kevin.

**Mr VAN HOLST PELLEKAAN:** It is emergency services, minister, so it is important stuff.

**The Hon. K.O. FOLEY:** Yes, I am trying my best. We are only one part of it; a small part.

**Mr GOLDSWORTHY:** I think you have answered this question: that the Attorney-General's Department is the lead agency in relation to the—

**The Hon. K.O. FOLEY:** Yes. Was that your question: who is the lead agency?

**Mr GOLDSWORTHY:** Who is effectively in charge of the SACAD?

**The Hon. K.O. FOLEY:** Yes, you are right, I have answered that.

**Mr VAN HOLST PELLEKAAN:** I refer to Budget Paper 4, Volume 2, page 18, Sub-program 1.3: Operational Preparedness.

**The Hon. K.O. FOLEY:** Yes, we are prepared.

**Mr VAN HOLST PELLEKAAN:** You are prepared with the stuff, minister.

**The Hon. K.O. FOLEY:** Absolutely. We are ready to do whatever we must.

**Mr VAN HOLST PELLEKAAN:** It is stated that a \$1.4 million increase in expenses is primarily due to additional training resources announced in the 2011-12 budget.

**The Hon. K.O. FOLEY:** That's it.

**Mr VAN HOLST PELLEKAAN:** Where the government announced \$2.1 million over four years for CFS and SES, with approximately \$400,000 per annum for the CFS. What training resources will be provided using the additional \$1.4 million?

**The Hon. K.O. FOLEY:** There was a budget bid of a larger number and I think my officers were extremely disappointed. Although they have not demonstrated that publicly or openly to me, but if I could read body language I would suggest that they were disappointed they did not get what they asked for. However, it is a sizeable contribution. We will re-look at it next year about our ability to provide even further funding if we can, because training is important. We have an ageing population, as we know, and these are incredibly vital services that we provide to the community, and we have to have the best trained and best equipped people that we can. I will ask the chief officer, who has been sitting here very patiently not saying anything.

**Mr NETTLETON:** Our allocation for this financial year is \$406,000. We are currently working through the priorities for training for where we will be using those funds. At this stage we have not completed that study.

**Mr VAN HOLST PELLEKAAN:** Thanks, Mr Nettleton. When do you expect to have a training program, or even just a draft training program in place?

**Mr NETTLETON:** At this stage I do not have a final date, but the priority of training is to those more critical areas where the training has been identified, and we will be working down to a point where the \$406,000 runs out, and that is where the cut-off will be.

**Mr VAN HOLST PELLEKAAN:** Is that more critical areas of training or more critical areas geographically where you think the training needs to be delivered around the state?

**Mr NETTLETON:** The CFS has a Standards of Fire and Emergency Cover, which is the directory used for the levels of service within communities, and we will be looking at each of the brigades that we have to work out where the shortfalls in training and skill sets are and concentrating on those for those critical elements of those brigades.

**Mr VAN HOLST PELLEKAAN:** Is there a geographic component in that as well? I understand you look at each brigade to see what they need and see how many members they have and that sort of thing.

**Mr NETTLETON:** No, there is no geographic component to it.

**Mr VAN HOLST PELLEKAAN:** So there is not a focus, hypothetically, on the Port Lincoln area, for example, or something like that?

**Mr NETTLETON:** No, it will be based on the Standards of Fire and Emergency Cover and it will be those skills that are missing critically right across the state. So, it will not be on a regional basis, it will be statewide.

**Mr VAN HOLST PELLEKAAN:** Thanks, Mr Nettleton. The next question, minister, and obviously if you would like Mr Nettleton to answer then that is okay with me. I refer to Budget Paper 4, Volume 2, page 23, CFS Statement of Comprehensive Income. The net result is \$3.573 million after expenses have been deducted from income. Can the minister please explain what happens to those remaining funds? Do they remain in the CESF or are they absorbed into some other budget line?

**The Hon. K.O. FOLEY:** This is an underspend, you are saying?

**Mr GOLDSWORTHY:** It is just a surplus figure of net costs of providing services. You have total expenses, total income and there is \$3.5 million.

**The Hon. K.O. FOLEY:** This brings us back to much controversy of previous years: things such as the carryover policy I instigated as Treasurer. We had a pretty mild, very quiet season, so moneys that we had provision for at CFS were not called on. They go back to consolidated account, the agency does not keep them; that happens across government.

**Mr VAN HOLST PELLEKAAN:** There is no scope, for example, to be more generous with the Volunteers Association or anything like that?

**The Hon. K.O. FOLEY:** No. It will have to be part of a budget bid. We have got commonwealth grants in there and we always made an exception where we had moneys from the commonwealth programs. You have to carry them over to the next year. The commonwealth are not going to let you get a budget benefit out of their money. But on state programs where it is a program in particular which you are going to fund to its fullest amount the next year, the budgetary practice I put in play when I came into office was that that be returned to Treasury, otherwise you start the subsequent financial year with a larger sum of outlays than you otherwise should.

If it is a \$10 million program and you carry over \$1 million and then you fund them for their \$10 million, as you would, then they have got an \$11 million program so you actually worsen the budget position, if you get what I mean. Again, it is also presentation. The cash balances remain within the Emergency Services Fund, but for purposes of accounting and presentation they appear as they do in the documents.

**Mr GOLDSWORTHY:** So it would be retained in the CESF?

**The Hon. K.O. FOLEY:** The cash is but in the accrual accounting, in the way we account for these measures in terms of the presentation of our budget figures, they are returned to consolidated.

**Mr GOLDSWORTHY:** In an overall sense?

**The Hon. K.O. FOLEY:** Yes, for the presentation of our budget under the accounting standards for which we present our financials. Cash is different. I know this is very complicated, it is cash versus budget; they are two different things. Do not worry, it confuses me and I have been Treasurer for nine years.

**Mr VAN HOLST PELLEKAAN:** I think I've got it, but just to clarify: for example, if your chief officer said that regardless of the training requirement identified when the \$406,000, I think it was, runs out, that is the end of that.

**The Hon. K.O. FOLEY:** Yes.

**Mr VAN HOLST PELLEKAAN:** So there is no scope for him to make a strong case to say, 'More training is required because we know we have got these funds in our—

**The Hon. K.O. FOLEY:** I have no doubt that David and the chief officers will come back with a budget bid next year. I would expect that and that is appropriate and we may well be in a better position to provide an increased level. We will have to wait until we see how the budget works its way through. Over the years we have demonstrated a preparedness as a government to supplement the CFS budget to take account of the prevailing conditions, whether that is extra burning off, extra firefighting hours, flying hours, planes or whatever. For the Kangaroo Island fires

of 2007, as David reminds me, there was a \$6.5 million budget appropriation to the CFS to cover the cost of fighting that fire.

**Mr VAN HOLST PELLEKAAN:** I understand and I think that is admirable and it is something that any government would do, but that is typically a source of funds post-event rather than—it does not put any money into preparedness. It is necessary money spent when you have an event that you are underfunded for.

**The Hon. K.O. FOLEY:** These poor buggers got me a month after I had been sort of retreated and whatever—dumped as treasurer—and I was still thinking like a treasurer and feeling grumpy and I still wanted something to cut. Hopefully next year I'll be more relaxed. Poor old David.

**Mr VAN HOLST PELLEKAAN:** You have made that point far more directly than I did earlier on in the conversation. I refer to Budget Paper 4, Volume 2, page 16, Sub-program 1.2: Prevention and community preparedness.

**The Hon. K.O. FOLEY:** Yes.

**Mr VAN HOLST PELLEKAAN:** Income has fluctuated from \$118,000 in 2009-10 actual down to \$74,000 in the 2010-11 budget, and you are increasing to \$745,000 in the 2011-12 budget. It is noted under the financial commentary that the \$700,000 increase in income is due to the introduction of fees and charges in 2011-12.

**The Hon. K.O. FOLEY:** What we are doing is that we are bringing CFS in line with MFS policy in terms of charging for inspections and work on home fire alarms and attendances at false alarms.

**Mr VAN HOLST PELLEKAAN:** Correct. To inform the committee about how confident you would be about collecting that money, can you just go into a few—

**The Hon. K.O. FOLEY:** I guess that, in many ways, we would like not to have to collect it.

**Mr VAN HOLST PELLEKAAN:** It is budgeted income.

**The Hon. K.O. FOLEY:** Yes, I know. We would like not to have too many false alarms—we would not go out there and we would not incur costs.

**Mr VAN HOLST PELLEKAAN:** Sure. I certainly understand that point, but, as an ex-treasurer you will know that even for these relatively small amounts you need to—

**The Hon. K.O. FOLEY:** Well, no, but it is cost recovery.

**Mr VAN HOLST PELLEKAAN:** My question is really about whether you can give me some insight into how confident you are about collecting it, assuming that the false alarms occur, because you would have set that number based on the number of false alarms that you predict in terms of really actually finding fault and having the ability to collect this money, typically in rural and remote areas.

**The Hon. K.O. FOLEY:** Incidentally, we have had to put two FTEs on to manage the program, and it will become self-funding. If the attending officer deems it to be a false alarm, he or she will then go back and the office will institute an invoice. How much do we charge for a false alarm? It depends on location, I guess, does it?

You would not want to get on the wrong side of my fires here. You have got \$700, nearly, if you are a malicious deviant doing it on purpose to cause mayhem. Then we have a B class, which is the most frequent charge. What is that? An office fire or something? A false alarm in an office (commercial, C class), \$499. New alarm connection fees, \$110; smoke testing per hour, \$120; and onsite inspections, \$120. For the average punter, we are a bit more lenient. The CFS has been doing it for years;

**Mr VAN HOLST PELLEKAAN:** I understand, minister, and you would not want to get on the wrong side of me—

**The Hon. K.O. FOLEY:** The MFS has been doing it for years.

**Mr VAN HOLST PELLEKAAN:** —if I was called out to a false alarm, as well. The question is, minister, who are you going to send the bill to?

**The Hon. K.O. FOLEY:** The person, the household or the company. The owner of the property. If you are the owner of the property, it is your responsibility and you can either get it back from the tenant, or whatever.

**Mr VAN HOLST PELLEKAAN:** What about a false alarm for a motor vehicle accident on a country road?

**The Hon. K.O. FOLEY:** This is for fire alarms, fixed fire alarms in fixed buildings.

**Mr VAN HOLST PELLEKAAN:** So, it is fixed fire alarms, it is not false call-outs?

**The Hon. K.O. FOLEY:** It is for fixed fire alarm systems if it trips, and it is inappropriate.

**Mr VAN HOLST PELLEKAAN:** Right, but not false alarms causing CFS call-outs? Vehicle accidents, grass fire, an electrical fault at a transformer station somewhere, all the sorts of things that can happen.

**The Hon. K.O. FOLEY:** If it is a false alarm and we cannot identify who the person is, we are not that rude.

**Mr VAN HOLST PELLEKAAN:** Just to clarify: is it for electronic-type alarms or is it for hoax phone calls that cause a call-out?

**Mr NETTLETON:** It is for those buildings where there is a fixed detection system within the building that triggers an alarm. So, it is only those buildings that have alarms fitted to them and if an alarm is tripped and it is found that it is a false alarm call, or 'unwanted false alarm' is the terminology, then that will attract a charge.

**Mr VAN HOLST PELLEKAAN:** Just on that, say there is no alarm involved but the neighbour sees the roast burning next door and calls the CFS to the house but it is a false alarm. That would be excluded from this? Nobody would get a bill for that?

**Mr NETTLETON:** If there is no fixed alarm system in the house. So, a domestic smoke detector will not generate a charge.

**Mr VAN HOLST PELLEKAAN:** Or a well-meaning neighbour who made the call?

**Mr NETTLETON:** No. That would be a false alarm with good intent.

**The Hon. K.O. FOLEY:** I will put this into some perspective. David has just provided me with the advice that nearly 50 per cent of response to fixed alarms could be false alarms. So, nearly half of the alarms that we attend are false. We need some behavioural change in how people manage their alarm systems. Hopefully, they will not turn them off. Hopefully, that will be a declining revenue stream.

**Mr GOLDSWORTHY:** I refer to Budget Paper 4, Volume 2, page 25, two-thirds of the way down the page, Cash outflows, Purchase of property, plant and equipment. We have received some reports that a company by the name of SEM Fire and Rescue, based in Ballarat, I understand, had a contract to build 23 CFS fire units. There have been allegations that they have run into some financial difficulty. Can you provide the committee with some details on that?

**The Hon. K.O. FOLEY:** I am happy to read a briefing. SEM Fire and Rescue were contracted to build 23 appliances for the CFS as part of their 2010-11 capital works program for delivery by yesterday. On 18 May 2011, CFS was advised that the owners of SEM had locked their gates and stood down staff. SEM has since resumed production on 23 May 2011. Advice has been sought from the crown confirming the security of CFS assets at the SEM site and the position with regard to the contract.

The crown has advised us that the deed of agreement was robust and protected the state's investment in the event that SEM was liquidated. On Thursday 23 June (just recently), representatives from SAFECOM and CFS met with SEM regarding progress and at that point one appliance had been delivered to Adelaide, 10 appliances were complete, except for minor electrification work, four appliances were 90 per cent complete and eight were in varying stages of work in progress.

The latest update, as of now, is that 13 appliances are now in Adelaide—they got here quick—four are complete and due to arrive in SA next week, and six are still under construction. We have a bank guarantee from SEM for \$100,000 that was drawn on 27 June 2011 to complete a range of minor rectifications and freight express expenses under advice from the crown. We are still concerned about SEM's financial capacity and long-term viability. My guess is that the awarding of the contract went through due process, through accredited purchasing units in accordance with our procurement policies.

The local member for Ballarat has called upon the Victorian government to support SEM by constructing additional fire appliances announced in the Victorian state budget. Well, that may or may not occur, but obviously for future purchase we will have to take into consideration the relative financial health of that company.

**Mr GOLDSWORTHY:** What was the total amount of the contract for the 23 units?

**The Hon. K.O. FOLEY:** \$2.3 million.

**Mr GOLDSWORTHY:** Is there difficulty with or delay in the delivery of the units as part of the original contract?

**The Hon. K.O. FOLEY:** They were supposed to have all been here yesterday, so they are delayed. They are coming later, but they are all getting done. There are 13 here now—we were expecting to have them all—four next week will take it to 17, six are still under construction, and that is the 23. We will get them all.

**Mr GOLDSWORTHY:** When are we going to get the six?

**The Hon. K.O. FOLEY:** They are under construction. I do not know how long these things take. We are waiting on the subcontractor to deliver components, but it will be around August, hopefully. It is the winter season. That is why we program them to arrive in winter, in case there are any contractual problems.

**Mr GOLDSWORTHY:** I refer to the same budget paper, same volume, pages 17, 18 and 19, Sub-program 1.3: Operational preparedness. Under the financial commentary it is noted that funds have been allocated for the E-mergency Connect volunteer IT project for 2010-11 to 2011-12. It is also listed under Highlights 2010-11. It states:

Assisted [SAFECOM] in successfully bidding for Digital Regions Initiative grant funding to complement the E-mergency Connect roll out of computers and [IT] support to volunteers.

It is also listed as a target for 2011-12 to:

Support SAFECOM in the roll out of computers and [IT] support to volunteers and the Digital Regions Initiative program.

However, in the 2009-10 budget, \$4 million was provided, and an additional \$5.4 million over four years from the 2010-11 budget for new computers to brigades (page 62 of Budget Paper 6 2010-11, Budget Measures Statement). That is a long explanation. Minister, can you advise if those computers have been delivered to the brigades as yet?

**The Hon. K.O. FOLEY:** Have the computers been delivered?

**Mr GOLDSWORTHY:** Yes.

**The Hon. K.O. FOLEY:** What we did as part of our last election campaign—and an exceptionally good initiative—is we are rolling out broadband to our brigades so that you can have fast computers. We got some money out of the commonwealth, and we are going gangbusters. We put 4.1 in, the feds have put 2.3 in, and that makes \$6.4 million to connect up our CFS and SES stations. We have not rolled out the hardware yet, but we are working on it. We have bought some; we are getting there.

**Mr GOLDSWORTHY:** All the brigades that are going receive these computers, are they all able to be connected with broadband?

**The Hon. K.O. FOLEY:** Yes; that is what we are doing; we are rolling broadband out. I do not think we are doing all of them, but wherever broadband is we are connecting up. Fibre to the home! It gives us a whole e-business, e-learning platform.

**Mr VAN HOLST PELLEKAAN:** Which is tremendous, minister. Just on that broadband issue, obviously there are differing levels of access to broadband throughout the state. When you say, 'Wherever broadband is that is where will provide that connection,' is that wherever it is already available via cables, or if there is an additional satellite service, there are some places that will subscribe to that, or if there is some other wireless option, you will do that? If it is available under any mechanism, you will provide it, or if it is just available under the stock standard you will provide it? Where do you draw the line?

**The Hon. K.O. FOLEY:** About 400 of the 500, and SES as well. There are some that are very remote, obviously, or there might just be a shed and you have to be serious there, or like Tuckey; we may not do it at Tuckey, but—

**Mr VAN HOLST PELLEKAAN:** So 80 per cent?

**The Hon. K.O. FOLEY:** This is a significant—

**Mr VAN HOLST PELLEKAAN:** One of the interesting things about broadband in remote areas is that sometimes, the more remote you are, the easier it is to access it, because there is already two-way satellite technology in place for that sort of thing.

**The Hon. K.O. FOLEY:** Yes.

**Mr VAN HOLST PELLEKAAN:** Where that is the case, you would take that up?

**The Hon. K.O. FOLEY:** We are stretching the dollar as far as humanly possible to get the best coverage as possible.

**Mr VAN HOLST PELLEKAAN:** You anticipate that will be approximately 80 per cent?

**The Hon. K.O. FOLEY:** Yes, about 80 per cent. So you are going to have fast broadband in the CFS facilities, so the guys can get their football results instantaneously—no. Training packages can be provided by the net, e-business and we can actually bring the CFS into the 21<sup>st</sup> century in terms of communication, and make good use of training and communication to all volunteer brigades via the internet. It is a good service.

**Mr GOLDSWORTHY:** But the program has been delayed, minister?

**The Hon. K.O. FOLEY:** Marginally, but we are moving as fast as we can.

**Mr GOLDSWORTHY:** I refer to the same budget paper and volume. On page 19, under Performance indicators, the number of volunteers in the 2010-11 target is 15,100 and the 2011-12 target is 400 less (14,700). Can you explain the reason for the reduced target? We are trying to expand and increase our volunteer base.

**The Hon. K.O. FOLEY:** There is a 300 differential for firefighters in that volunteer list. I think that simply reflects that it is difficult to recruit at present. As you are both rural members—certainly the member for Stuart—you would be aware that rural communities have limited populations and a lot of these centres are not growing. That is why we need to spend more money to train more people, but it is getting tight in the volunteer market. Attraction and retention: we are having to put a lot more work into that.

**Mr GOLDSWORTHY:** Sorry, say that again?

**The Hon. K.O. FOLEY:** Attraction and retention: we are having to put a lot of work into that. Many rural communities are shrinking and there are less volunteers, or some of these rural communities are probably ageing at a faster rate than metropolitan Adelaide, and fewer volunteers are available to step into those roles.

**Mr GOLDSWORTHY:** They also have trouble getting time off from their paid employment in the middle of the day, the afternoon or whenever.

**The Hon. K.O. FOLEY:** The chief officer advises me that this is a common occurrence nationally and it is getting more difficult to find cooperative employers, as they cut down on staff and have limited staff available and, in many cases, may indeed have labour shortages because they cannot get staff themselves. The impact, of course, particularly in Western Australia, South Australia and, I guess, Queensland, is 'fly in, fly out'.

People living in Wilmington have now picked a job up in Roxby, so they might be up in Roxby two weeks on and two weeks off. All these dynamics are changing the nature of work and the workforce. The shrinking rural communities and the ageing population is putting stresses and strains on us. I mean, it is not critical, and it is not going to be a diminution of our service, but it is something we have to work hard at in order to make sure it does not slip back too far.

**Mr VAN HOLST PELLEKAAN:** You are certainly right. It is not just CFS or emergency services that are under that pressure. A quick plug for Wilmington: we have got about 35 active volunteer members, which is fantastic. We will get to MFS more formally, but if you see that continuing—as many organisations do, not just emergency services—do you think that puts the MFS under more pressure in outer metropolitan areas? Do you think you need to budget for that?

**The Hon. K.O. FOLEY:** I do not think so. I think there are always going to be territorial discussions between the CFS and MFS, to put it politely. I do not think the MFS would have a reluctance to do more. I know that, with the SES, from a briefing that I had with Chris Beattie earlier in the week, there is no problem in getting SES brigades in the city. It is difficult out in the sticks.

**Mr VAN HOLST PELLEKAAN:** It was more in the fringe areas and some of the much further away places, for example—

**The Hon. K.O. FOLEY:** Fringe areas are not a problem. It is when you start to get out into regional centres and—

**Mr VAN HOLST PELLEKAAN:** For example, Port Augusta. There is an MFS at Port Augusta and a CFS at Stirling North. They cooperate well and do everything they can, but do you think, from a budgetary perspective, looking longer term, that might force you to put more money towards MFS if you genuinely believe that CFS volunteering will continue to decline?

**The Hon. K.O. FOLEY:** There is a little bit of demarcation here and a few anomalies around. We still have a CFS brigade in Salisbury.

**Mrs VLAHOS:** It is there and active.

**The Hon. K.O. FOLEY:** And active? In the middle of suburbia.

**Mrs VLAHOS:** Yes. Two Wells is there.

**The Hon. K.O. FOLEY:** Yes, Two Wells.

**Mr GOLDSWORTHY:** There is one at Burnside.

**The Hon. K.O. FOLEY:** Burnside?

**Mr GOLDSWORTHY:** Yes.

**The Hon. K.O. FOLEY:** I will be damned.

**Mr MARSHALL:** Vickie has got everything at Burnside.

**The Hon. K.O. FOLEY:** Yes, she has. That is a good point. Now, quite often, I am sure there is an attempted land grab by the MFS. They send their insurgents across the border in the middle of the night to take enemy territory. Then, the CFS volunteers hear the alarm. They come out, defend their castle and beat the MFS back over into their border. That sort of skirmish occurs, but both organisations are very well run. There would be marginal efficiency, I am sure, if you were to merge the two.

**Mr VAN HOLST PELLEKAAN:** I am sure that is the case but, if you see volunteering continuing to decline, it may well result in the need for increasing budgets for emergency services in general. Are you addressing that at all, minister?

**The Hon. K.O. FOLEY:** We have not got to that bridge yet, so we just have to put more work into recruiting, retention and training. Again, referring to the SES, we have to do some work there on making sure our safety is improved and we keep people safe at work. I guess, for all volunteer groups, we have got to continue to make it an attractive option for people to volunteer their time, so they can demonstrably see that they are serving the community good and they enjoy doing it. Enjoy is not the right word, but they get satisfaction out of it.

**Mr VAN HOLST PELLEKAAN:** Many volunteers do enjoy it greatly, minister.

**Mr GOLDSWORTHY:** The Chief Officer alluded to some discussion with his interstate colleagues on a national basis in relation to the pressures on volunteers being able to absent themselves from their paid employment. Is there any discussion in relation to how those issues may be addressed?

**The Hon. K.O. FOLEY:** I might ask the chief officer to speak.

**Mr NETTLETON:** Thanks, minister. Yes, there is. A paper was written a few years ago in New South Wales titled 'Where Have All the Volunteers Gone?' It is an issue that has been addressed nationally through the Australasian Fire and Emergency Services Council. In fact, that council has a special strategy group that looks specifically at volunteer issues. The attraction and retention of volunteers into fire and emergency services is their prime focus.

**The Hon. K.O. FOLEY:** Are you a volunteer, by the way, to the CFS at Lobethal?

**Mr GOLDSWORTHY:** No.

**The Hon. K.O. FOLEY:** Well, come on. If Dan can do it, you can do it. I bet you Vickie is a volunteer.

**Mr MARSHALL:** She is. She carries the banner.

**The Hon. K.O. FOLEY:** She would be the colonel. She would be the brigade commander.

**Mr GOLDSWORTHY:** Are you a volunteer, Kevin?

**The Hon. K.O. FOLEY:** Well, I am in Semaphore.

**Mr GOLDSWORTHY:** What about the surf lifesaving club? That is emergency services—the surf lifesaving club.

*Members interjecting:*

**The CHAIR:** Order!

**The Hon. K.O. FOLEY:** I wish I had have been a member of Semaphore when you were, mate. I would have belt the crap out of you somewhere when you were a little nipper. Just imagine what he would have been like as a nipper. He would have been a pain in the arse. Seriously, can we get someone from CFS to send some volunteer forms to Mark.

**Mr GOLDSWORTHY:** You do not have to worry. I have a dozen brigades in mind.

*Members interjecting:*

**Mr GOLDSWORTHY:** I tell you what, I will make a deal with you Kevin: you join the Semaphore Surf Lifesaving Club and I will join one of the CFS brigades up in Kavel.

**The Hon. K.O. FOLEY:** It is not in my electorate.

**The CHAIR:** Okay, did you have another question?

**Mr GOLDSWORTHY:** Page 18, minister, same paper, same volume, and I refer to Sub-program 1.3: Operational Preparedness. Under highlights 2010-11 it states:

Commenced a review of the Standards of Fire and Emergency Cover (SFEC) risk based resourcing model used by CFS.

Can you explain the details of the model?

**The Hon. K.O. FOLEY:** It is world-renowned and it is benchmarked against similar programs operationally elsewhere in both Australia and other parts where fires are fought.

**Mr GOLDSWORTHY:** Does the chief officer have some more information?

**The Hon. K.O. FOLEY:** What more would you want?

**Mr GOLDSWORTHY:** He has a whole page there. A bit more detail.

**Mr NETTLETON:** The Country Fire Services' Standards of Fire and Emergency Cover has been in place for many years. It was introduced in 1986-87. It has been progressively upgraded as the service modernises. We currently have two people employed to review that Standards of Fire and Emergency Cover.

**Mr VAN HOLST PELLEKAAN:** Minister, Budget Paper 4, Volume 2, pages 16 and 17, Sub-program 1.2: Prevention and Community Preparedness. It states at dot point 4:

Progressed the Prepare.Act.Survive bushfire community education campaign initiatives including new advertising and website improvements.

And at dot point 2:

Continue the Prepare.Act.Survive bushfire awareness and preparedness education campaign, including the development of a smart phone application for the community to access bushfire information.

**The Hon. K.O. FOLEY:** Tweet.

**Mr VAN HOLST PELLEKAAN:** The question is: what community awareness programs are planned for the coming fire season?

**The Hon. K.O. FOLEY:** Good question. Are we getting into tweeting?

**Mr NETTLETON:** Yes, we are.

**The Hon. K.O. FOLEY:** We are tweeting.

*Members interjecting:*

**The Hon. K.O. FOLEY:** The question is what are we doing this year to inform people to get ready in case there is a bushfire. I am happy for the chief officer to respond.

**Mr NETTLETON:** For 2011-12, we are currently developing applications for iPhones that will replicate the material that is on our website, and we will be able to send warnings via those applications. This year, our intelligence is telling us that we have probably got a considerable fire season in the north of the state that has not been there for a number of years, because of the summer rainfall. Our people at Port Augusta are out proactively working with the community and station-owners and those people who support tourism through there. We have a special campaign that is underway now which is going to be rolled out before the start of the fire season in the pastoral areas.

That is a specific campaign for what we think might be a busy fire season in those pastoral areas; particularly, most of the fires in that area are caused by lightning, and we have been doing some work on the mapping and frequency of lightning across those areas. For more general campaigns, I mention the rollout of the smart phone applications. We have also had some research done by Colmar Brunton, a research company, which has looked at our previous campaigns. Because the last bushfire season was relatively quiet, they have identified that a degree of complacency has crept in, so our campaign this year is being driven by the Colmar Brunton research to ramp up the awareness in the other areas of the state.

**An honourable member:** Who is Colmar Brunton?

**The Hon. K.O. FOLEY:** A research company that has gone into the market to try to find out what the thinking is of people out there. The great tragedy in Australia is that we soon forget the horrors of previous disasters.

I must put this on the public record: I went up in a helicopter a few months ago and went over the Adelaide Hills. It is bloody disgraceful what some people do. They just don't take account of the danger that they put not just their families in but put firefighters in—down gullies, on top of hills, overhanging trees over their houses, the one escape route road has got trees everywhere. It is terrible. People just don't get it sometimes.

**Mrs VLAHOS:** I think my question may have been asked, but I noticed that during the Queensland flood there was a fantastic application, and that is what I was talking about with the smart phones—to see if there would be something like that, perhaps, for the State Emergency Services. I have followed the SES feed and a few of the other ones. Is there something that potentially could combine those feeds in the long term? I think they are both great, but—

**The Hon. K.O. FOLEY:** David is managing a project for whole of government, so you might just inform the committee.

**Mr NETTLETON:** It is a good question. We are currently developing a business case for whole of government for public information and warnings, looking at the community effectiveness of those messages through multiple streams, emergency alert, SMS, through social media, through the media messages on ABC and FiveAA—right through the whole suite. We are also looking at how we can have a look at the common IT architecture behind that so that we do not have a plethora of small systems, we have a basic system, and also the governance model that sits around that drives the public information and warning messages in an emergency management context.

**Mrs VLAHOS:** It is lovely to hear that you are thinking about that.

**Mr NETTLETON:** Thank you.

**Mr VAN HOLST PELLEKAAN:** I am very pleased to hear about some focus on the pastoral areas. The only event I am aware of last summer was the fire at Todmorden, and I am pleased to see some focus on that.

Back to smart phones, again looking at rural and remote people who by necessity are often exceptionally good with regard to modern technology (but still a lot of people, particularly of the older generation, do not have smart phones), so with a focus on rural and remote areas, what are you doing to address that gap in communication?

**Mr NETTLETON:** We are aware that a lot of areas do not have smart phone coverage. We are investigating a computer-based application called Northern Australia Fire Information. It is used across the tropical parts of northern Australia. Two CFS officers have been to Darwin to talk to the people who run that particular application. We are seeking to have that website improved so that it takes in South Australia and, in particular, north of the Goyder line, and that is work in progress at this stage.

It was born as part of the Cooperative Research Centre for Tropical Savannas, and it is used extensively across Western Australia, the Northern Territory and Queensland. Probably the most frequent times it was hit was during the fires around Brisbane two years ago. We are hoping to import that technology so that people who have access to the web can do it.

We are also doing work with tourist agencies and rental car hire companies so that people who are travelling through the area have some awareness; and, of course, we will be using radio as one of our warning mechanisms as well—that is, commercial radio.

**Mr VAN HOLST PELLEKAAN:** Minister, I refer to Budget Paper 4, Volume 2, pages 16 and 17. Again, it is the CFS, Sub-program 1.2: Prevention and Community Preparedness. In the highlights for 2010-11, dot point two identifies 'completed the identification of bushfire safer places for all high bushfire risk areas'. Is the minister satisfied and, if not, what action has been taken to ensure that all communities across high-risk areas have accessible safer places?

**The Hon. K.O. FOLEY:** I will ask the chief officer to answer that.

**Mr NETTLETON:** The CFS has three categories. One is the bushfire safer settlement, which is the safest place, and, obviously, that is inner Adelaide or the metropolitan areas of Adelaide. Bushfire safer precincts is the second category, which includes the outer suburbs and rural towns. They are suitable for people to take refuge in the event of a fire; so we have identified a number of places across the state. The third category is the last resort refuge, which is a hasty refuge if someone is caught out.

To date, we have completed work in 51 of the 52 local council areas and are preparing maps of identified bushfire safer places. To date, 143 bushfire safer precincts and 166 last resort refuges have been identified, and this work has been done as part of the whole bushfire management activity. That work is still continuing, but we are confident that we will have most of that done by this season.

**Mr VAN HOLST PELLEKAAN:** Are you confident that all or almost all people will have access to some place of refuge? You are sort of at the investigatory stage at the moment in a lot of areas.

**Mr NETTLETON:** We have a number of bushfire management committees throughout the state, and each of those bushfire management committees is working with the community on identifying those places. In addition, people will be able to look at the iPhone application that I mentioned earlier, or a website, to identify where their closest refuge or safer place is.

**Mr VAN HOLST PELLEKAAN:** Are you confident that all or almost all people will have access to a place of refuge?

**Mr NETTLETON:** I think that it is fairly difficult to say that all people will have access to refuges. It is really dependent on where they are at the time and when the event occurs. I cannot say 100 per cent categorically that all people will be able to access or reach those places.

**The Hon. K.O. FOLEY:** Again, there is responsibility on the individual on a high-risk fire day to minimise the time they spend—or any time—in a high-risk area, unless they cannot avoid it.

**Mr VAN HOLST PELLEKAAN:** I could not agree more.

**The Hon. K.O. FOLEY:** Do not go for a family picnic in the middle of the Belair National Park, or something like that, if there is a high probability of fire.

**Mr VAN HOLST PELLEKAAN:** I could not agree more. Do not have next to no fuel in your car, and a whole range of issues like that. Speaking of cars, minister, with regard to the potential for dangerously high levels of traffic congestion in a lot of areas, but specifically, or most notably, the South-Eastern Freeway in the event of a bushfire in the Mount Lofty Ranges, have you got any plans or thoughts with regard to that difficult issue?

**The Hon. K.O. FOLEY:** I do not, personally. I do not know, but I would assume that the police would have such plans. I am happy to take that question on notice.

**Mr VAN HOLST PELLEKAAN:** Yes, please.

**Mr GOLDSWORTHY:** Pages 16 and 17 again, same sub-program, Prevention and Community Preparedness, Highlights 2010-11, dot point 1:

The nine bushfire management area committees were established and held their first meetings as part of the introduction of the new bushfire management framework.

I know this took some time to pull together after the legislation was passed in 2009, if my memory serves me correctly. When was the full membership for all of the nine committees finalised?

**The Hon. K.O. FOLEY:** We can come back to the committee with that information. It is a bit detailed to have here on spec. Are we finished?

**Mr GOLDSWORTHY:** No, we have 10 minutes to go. Where are the nine committees based? Do they hold their meetings in their regional locality or in metropolitan Adelaide?

**Mr NETTLETON:** They hold their meetings in their regional locations. They have a representative, then, who meets with CFS headquarters, and one of our officers coordinates that.

**Mr GOLDSWORTHY:** Can the chief officer advise where those nine committees are based, where they hold their meetings? Do they hold them in, like, Naracoorte, Berri or Renmark?

**Mr NETTLETON:** I cannot give that detail, but I could make it available. I suspect, like most regional things, they might actually move from place to place to ease the travel burden on some of their members, but, specifically, I do not know exactly which town they meet in.

**Mr GOLDSWORTHY:** Page 13, under the heading, Investments, Existing projects, CFS Light Vehicle Fleet, \$2.216 million in the 2011-12 budget. Can you tell us how many vehicles are currently in what is regarded as the light vehicle fleet?

**The Hon. K.O. FOLEY:** We will come back to the committee with that number.

**Mr GOLDSWORTHY:** What is the definition of a light vehicle? Is it a four-wheel drive, an SUV—

**The Hon. K.O. FOLEY:** Anything but a truck.

**Mr GOLDSWORTHY:** —a sedan, a wagon?

**Mr NETTLETON:** In the context of this particular program it is typically a four-wheel drive vehicle that carries passengers. Most of our CFS groups have two vehicles. One is a command vehicle and the other one is a logistics vehicle. The logistics vehicle tends to be a HiLux ute, or a similar sort of thing.

**The Hon. K.O. FOLEY:** Why would that be of any interest to you?

**Mr GOLDSWORTHY:** I do not have to answer that question. It is in the budget, it has a budget line, I am interested in it.

**The Hon. K.O. FOLEY:** I have never pondered that question.

**Mr GOLDSWORTHY:** Well, you have not had much to do with the CFS.

**The Hon. K.O. FOLEY:** I have had a lot to do with the CFS.

**Mr GOLDSWORTHY:** How many brigades have you visited?

**The Hon. K.O. FOLEY:** A few.

**Mr GOLDSWORTHY:** How many have you visited?

**The Hon. K.O. FOLEY:** I have been to many CFS stations, particularly on the West Coast, and I have attended a number of serious fires as acting premier—too many to count.

**Mr VAN HOLST PELLEKAAN:** I have a question relating to Budget Paper 5, page 17, Capital. I would like some information about a proposed extension to the Burra CFS shed.

**The Hon. K.O. FOLEY:** Burra? What do you want to know? Are we doing it?

**Mr VAN HOLST PELLEKAAN:** Are you doing it, what is the timeline and what is the budget for it?

**The Hon. K.O. FOLEY:** We can give you an answer.

**Mr NETTLETON:** We have a program to extend the station in Burra to accommodate the SES; so, it is an extension to the shed.

**Mr VAN HOLST PELLEKAAN:** When will it happen and what is the budget?

**Mr NETTLETON:** It commenced in 2010-11 and it should be completed in 2011-12.

**The Hon. K.O. FOLEY:** It probably started since you were up there last.

**Mr VAN HOLST PELLEKAAN:** I do not think it was.

**Mr NETTLETON:** It is a total of \$60,000.

**Mr VAN HOLST PELLEKAAN:** \$60,000 for the complete extension, including concrete floor, electricity—lights and power points—that sort of thing?

**Mr NETTLETON:** I do not know the full scope of the work, so I cannot comment.

**Mr VAN HOLST PELLEKAAN:** Okay.

**The CHAIR:** Would you like to read your omnibus questions?

**Mr VAN HOLST PELLEKAAN:** Yes, the shadow minister has asked me to read the omnibus questions. I think that is the end of our questions. Thank you, everybody, for coming in and being so open with all of your answers.

**The CHAIR:** Indeed. Thank you, to all the officials and the staffers who are here. Before we close down this session officially we do need to have those questions.

**Mr VAN HOLST PELLEKAAN:** The omnibus questions are:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2010-11 for all departments and agencies reporting to the minister—listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

2. For each department or agency reporting to the minister how many surplus employees were there as at 30 June 2011, and for each surplus employee what is the title or classification of the employee and the Total Employment Cost (TEC) of the employee?

3. In financial year 2009-10 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2010-11, and how much was approved by cabinet?

4. Between 30 June 2010 and 30 June 2011, will the minister list the job title and total employment cost of each person (with a total estimated cost of \$100,000 or more)—

(a) which has been abolished; and

(b) which has been created?

5. For the year 2010-11, will the minister provide a breakdown of expenditure on all grants administered by the departments and agencies reporting to the minister—listing the name of the grant recipient, the amount of the grant and the purpose of the grants, and whether the grant was subject to a grant agreement as required by Treasurer's Instruction No. 15?

6. For all capital works projects listed in Budget Paper 5 that are the responsibility of the minister, will the minister list the total amounts spent to date on each project?

7. For each department or agency reporting to the minister, how many Targeted Voluntary Separation Packages (TVSPs) will be offered for the financial years 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15?

**The CHAIR:** There being no further questions for the minister, I declare the examination of the proposed payments completed.

**The Hon. K.O. FOLEY:** Madam Chair, can I say you have chaired with aplomb.

**The CHAIR:** Thank you.

At 17:14 the committee adjourned until Monday 4 July 2011 at 10:00.